

**CITY OF RENO  
STATE OF NEVADA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year  
July 1, 2008 through June 30, 2009**

---

**PREPARED BY THE CITY OF RENO  
FINANCE DEPARTMENT**

**MARY ANN PARROT  
FINANCE DIRECTOR**



**CITY OF RENO, NEVADA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Table of Contents

	<u>Page</u>
 <b><u>Introductory Section</u></b>	
Letter of Transmittal .....	i-vi
Certificate of Achievement for Excellence in Financial Reporting.....	vii
Organizational Chart.....	viii
List of Principal Officials.....	ix
 <b><u>Financial Section</u></b>	
Independent Auditor’s Report.....	1-2
Management’s Discussion and Analysis (Required Supplementary Information).....	3-19
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets.....	21
Statement of Activities .....	22-23
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	26-27
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets – Governmental Activities .....	28
Statement of Revenues, Expenditures and Changes in Fund Balances .....	30-31
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities .....	32
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund .....	33-37
Proprietary Funds:	
Statement of Fund Net Assets.....	38-39
Statement of Revenues, Expenses and Changes in Fund Net Assets .....	40
Statement of Cash Flows .....	41-42
Fiduciary Funds:	
Statement of Fiduciary Net Assets.....	43

**CITY OF RENO, NEVADA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Table of Contents

	<u>Page</u>
Basic Financial Statements (continued):	
Notes to Financial Statements .....	45-99
Required Supplementary Information:	
Other Post-Employment Benefit Plans – Status of Funding Progress .....	101
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet .....	103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	104
Special Revenue Funds:	
Nonmajor Special Revenue Funds:	
Combining Balance Sheet.....	105-107
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	108-110
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Community Development Block Grant Fund .....	111
Community Development Block Grant Administration Fund .....	112
Street Fund .....	113
Events Center Fund .....	114
Room Tax Fund.....	115
Parks and Recreation Fund.....	116
Special Events Fund.....	117
Stabilization Fund .....	118
Emergency Operations Fund.....	119
Courts Fund.....	120
Drug Forfeiture Fund .....	121
Redevelopment Agency Fund .....	122
Debt Service Funds:	
Major Debt Service Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Railroad Fund.....	123
Downtown Events Center Fund .....	124
Special Assessment Districts Fund .....	125
Nonmajor Debt Service Funds:	
Combining Balance Sheet.....	126
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	127

**CITY OF RENO, NEVADA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Table of Contents

	<u>Page</u>
Combining and Individual Fund Statements and Schedules (continued):	
Debt Service Funds (continued):	
Nonmajor Debt Service Funds (continued):	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
City of Reno Fund .....	128
Redevelopment Agency Fund .....	129
Capital Projects Funds:	
Major Capital Projects Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Street Impact Fund .....	131
Redevelopment Agency Capital Projects Funds .....	132
Nonmajor Capital Projects Funds:	
Combining Balance Sheet.....	133-135
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	136-138
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Public Works Fund.....	139
Municipal Court Fund .....	140
Railroad Fund.....	141
Downtown Events Center Fund .....	142
Community Assistance Center Fund.....	143
Community Service Center Fund.....	144
City Bonds Fund.....	145
Parks Fund.....	146
Special Ad Valorem Fund .....	147
Special Assessment Districts Fund .....	148
Redevelopment Agency Extraordinary Maintenance Fund .....	149
Enterprise Funds:	
Major Enterprise Funds:	
Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget and Actual:	
Sanitary Sewer Fund .....	151
Building Permit Fund .....	152
Planning Fund .....	153

**CITY OF RENO, NEVADA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Table of Contents

	<u>Page</u>
Enterprise Funds (continued):	
Nonmajor Enterprise Funds:	
Combining Statement of Fund Net Assets.....	154-155
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	156
Combining Statement of Cash Flows .....	157-158
Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget and Actual:	
Golf Course Fund.....	159
Dispatch Center Fund.....	160
Internal Service Funds:	
Combining Statement of Fund Net Assets .....	161-162
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	163-164
Combining Statement of Cash Flows .....	165-170
Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget and Actual:	
Motor Vehicle Fund.....	171
Risk Retention Fund .....	172
Self-Funded Medical Plan Fund .....	173
Self-Funded Workers Compensation Fund.....	174
Communications and Technology Fund .....	175
Fiduciary Funds:	
Agency Funds:	
Combining Statement of Changes in Assets and Liabilities.....	177

**Statistical Section**

Net Assets by Component.....	181
Changes in Net Assets .....	182-183
Program Revenues by Function/Program .....	184
Fund Balances, Governmental Funds .....	185
Changes in Fund Balances, Governmental Funds .....	186
Taxable Assessed Value and Actual Value of Property .....	187
Direct and Overlapping Property Tax Rates.....	188
Principal Property Tax Payers .....	189
Property Tax Levies and Collections.....	190
Licenses and Permits by Category .....	191
Ratios of Outstanding Debt by Type .....	192
Direct and Overlapping Debt .....	193
Ratios of General Bonded Debt Outstanding and Legal Debt Margin .....	194
Pledged-Revenue Bond Coverage .....	195

**CITY OF RENO, NEVADA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Table of Contents

	<u>Page</u>
<b><u>Statistical Section</u></b> (continued)	
Demographic and Economic Statistics .....	196
Principal Employers.....	197
City Government Employees by Function/Program.....	198
Operating Indicators by Function/Program .....	199
Capital Assets and Infrastructure Statistics by Function/Program .....	200
 <b><u>Single Audit Report</u></b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	201-202
Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	203-204
Schedule of Expenditures of Federal Awards.....	205-208
Notes to Schedule of Expenditures of Federal Awards .....	209-210
Schedule of Findings and Questioned Costs.....	211-212
Summary Schedule of Prior Audit Findings.....	213
Auditor's Comments:	
Nevada Revised Statute 354.626.....	215
Schedule of Business License Fees.....	216

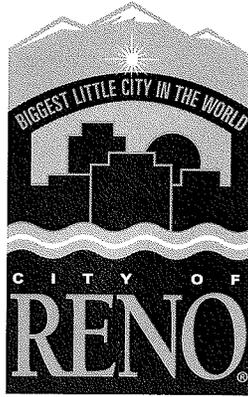
**THIS PAGE INTENTIONALLY LEFT BLANK**

---

# **INTRODUCTORY SECTION**

---





December 16, 2009

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Reno, Nevada:

The comprehensive annual financial report for the City of Reno for the fiscal year ended June 30, 2009 is hereby submitted. State law requires that local governments provide for an annual audit of its financial statements by independent certified public accountants in accordance with generally accepted auditing standards.

This report consists of management's representations concerning the finances of the City of Reno. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Reno has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Reno's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Reno's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Reno's financial statements have been audited by Gallina, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Reno for the fiscal year ended June 30, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Reno's financial statements for fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Reno was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the compliance section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Reno's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

Reno, Nevada, which is the largest community in Northern Nevada and the fourth largest city in the state, began as "Lake's Crossing" in 1859 at a toll bridge for pioneers crossing the Truckee River on their way to California. In 1868, the Central Pacific Railroad established a town site in the area as a new stop in the growing transcontinental railroad. The City was incorporated in 1903. It is located in the southern part of Washoe County, nestled in the Sierra Nevada Mountains 35 miles northeast of Lake Tahoe, in the area called the Truckee Meadows. The City was named after Civil War General Jesse Reno.

The City has a Council-Manager form of government with six Council members elected for staggered terms of four years. The Mayor is the chief elected official and formal representative of the City. Elected at-large, the Mayor serves for a four-year term. The City Manager is selected by the Council and is the City's chief administrative official. The Manager is responsible for all City business.

The City provides the full range of municipal services contemplated by statute or charter. This includes public safety (police, fire, and building inspection), public works, public improvements, planning and zoning, community development, parks and recreation, wastewater treatment, and general administrative services. In addition to general government activities, the City Council is financially accountable for the Redevelopment Agency of the City of Reno; therefore, the activities of the Agency are included in this report. The Housing Authority of the City of Reno is a related organization of the City of Reno but not a component unit because the City's accountability does not extend beyond the appointment of board members.

The City of Reno maintains budgetary controls. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget, as augmented, that was approved by the City Council and the State of Nevada's Department of Taxation. By April 15, the Finance Director submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada Department of Taxation and the citizens via public hearings. The Nevada Department of Taxation notifies the City Council as to whether the budget is in compliance with the law and appropriate regulations. Public hearings, at which all changes to the tentative budget are indicated, are conducted on the third Tuesday in May. The

City Council adopts the budget prior to June 1 and submits it to the Department of Taxation for final approval.

All revisions to the adopted budget are a matter of public record by actions of the City Council. Per Nevada law, the City Manager is authorized to transfer budgeted amounts within functions (General Fund) or funds if the City Council is notified at the next regular meeting and the action is noted in the official minutes. Revisions which affect the total fund appropriations or transfers between funds are accomplished through formal City Council approval. Various supplemental appropriations were approved for the year to reflect necessary changes in spending and the corresponding additional resources available.

Activities of the General Fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds are included in the annual budget. Budgetary control is exercised at the function level. Encumbered amounts lapse at year end. However, encumbrances generally are reapportioned as part of the following year's budget augmentation.

## **LOCAL ECONOMIC CONDITION**

Reno and the Washoe County area have been deeply affected by the downturn in the economy. In the Reno-Sparks region, September's unemployment count stood at record high of 13.1% which is up markedly from the September 2008 rate of 7.3%. The housing market is also presenting challenges with an 11% increase in home repossessions and foreclosure filings from the previous year. In September of 2009, Nevada led the nation in home foreclosures with more than twice the number two state, Arizona. The number of foreclosed homes in the southern part of the state is high, but per capita northern Nevada is not far behind. As of September 2% (2,600) of the homes in Washoe County had been foreclosed upon, with another 4% in some type of pre-foreclosure status. This change in the supply and demand dynamic within the housing market has led to a marked reduction in residential property values with a (26.25%) reduction in market value between September 2008 and September 2009. Reno's reduction in resale value was slightly less at (24.22%) during that same time. Because of the volatility in the market, the Washoe County Assessor's Office has moved to an annual appraisal cycle, and has factored in a 2.5% monthly reduction in sales price for the valuations affecting fiscal year 2010/11 property tax bills.

The downturn in the economy has negatively impacted consolidated tax (CTAX) revenue, which consists primarily of sales tax, as well. The City saw a 15.00% decline in fiscal year 2009 that was preceded by a 7.22% decline in fiscal 2008. For fiscal year 2010, the City has budgeted for an additional 2.5% reduction in CTAX collections.

The economic slowdown is presenting various challenges for the City of Reno. However, past and current conservatism in projecting revenues and managing costs, as well as setting aside reserves, have aided the City's efforts in addressing recent revenue shortfalls. For example, the City has always been active in controlling discretionary spending. The City has had a long-standing policy of requiring departments to hold back 2% of their respective services and supplies budgets, and for fiscal years 2008/09 and now 2009/2010, the hold-back has been increased to 4%. No new positions are being created, and various positions will be

held vacant for up to three years. Senior management will continue to remain vigilant and pro-active in identifying and addressing the realities posed by the current economic downturn.

## **LONG-TERM FINANCIAL PLANNING**

Efforts to diversify Reno's economy are underway to bring more jobs and new industries to the area. In October of 2009, the City's Redevelopment Agency combined forces with the Economic Development Authority of Western Nevada for the purpose of recruiting renewable energy businesses to area. The focus of this recruiting effort is on geothermal energy due to the vast amount of geothermal resources that lie beneath the ground in Reno area and northern Nevada. Nevada has no corporate or personal income tax, and is a right-to-work state which provides the opportunity for Reno to present itself as desirable for the location of corporate headquarters and/or renewable energy manufacturing facilities.

Meanwhile, the City is moving forward with dozens of green projects that will create jobs, reduce the City's energy use, and move towards more renewable forms of energy without using money from the City's general fund. The City is using more than \$20 million in rebates, federal grants and bonds that will be repaid through the energy savings to fund the projects. They include several solar energy projects including downtown Parking Gallery and Downtown Events Center. The money will also be used for energy efficient lighting projects at the Downtown Parking Gallery, Reno Arch, Vaughn Middle School ball field and Reno Police Department's evidence locker. There will also be efficiency air handling improvements at Fire Station #7 and renewable energy wind installations at City Hall, Mira Loma Park, Stead Wastewater Treatment Facility and the downtown Parking Gallery. Phase 2 will include various lighting and mechanical upgrades at several City facilities. Since utility costs have increased significantly for the City, these efforts will greatly help the City reduce such costs in the future.

## **RELEVANT FINANCIAL POLICIES**

**Rainy Day Reserves.** In compliance with state law, the General Fund Financial Policy requires unreserved fund balance to be established at 4% of revenues, which is included in the fiscal year 2009/10 budget. The City exceeded the requirement by 0.93%, or \$1.6 million. Furthermore, the City's Stabilization Fund was set for \$3.6 million in the 2009/10 budget. These reserves, along with a conservative approach to spending, give the City a greater level of flexibility in responding to unforeseen revenue reductions.

**OPEB Funding.** The City's decision to fund only the pay-as-you-go costs rather than the full annual other post-employment benefit (OPEB) costs will result in the City's unfunded actuarial accrued liability to continue to grow, as well as result in an increasing OPEB liability of approximately \$9.5 million each year to be presented on the face of the government-wide financial statements and proprietary fund statements. However, given the current economic environment, the City does not have the resources needed at this time to fully fund the annual OPEB cost.

## **MAJOR INITIATIVES**

The Council Priorities for fiscal year 2009/10 are Public Safety; Communication; Green Initiative; Consolidation; Financial Management; and Arts, Culture and Special Events.

Despite the slow economy, some major projects in Reno are continuing to be completed. The Reno City Council, acting as the Redevelopment Agency Board, is working on a development agreement by and between Nevada Land LLC for the completion of a Ball Park District surrounding the new stadium that will spur retail and other entertainment opportunities in downtown Reno. The new Ballpark District would cover an eight plus acre area immediately east of Lake Street, from the ReTRAC project on the north to the Truckee River on the south.

The City continues to move forward with the development of a multi-phase transit project along the Virginia Street corridor from Lawlor Events Center located on the University of Nevada-Reno campus to the Reno/Sparks Convention Center. The project will consist of Bus Rapid Transit and streetcars, with the potential conversion of the Bus Rapid Transit/streetcar system to a light rail transit system in the future. The Bus Rapid Transit system came on line in October of 2009. Staff is continuing to move forward with modifying the Reno Municipal Code to add station requirements and design standards; modify the code or seek necessary legislation to allow Regional Road Impact Fee credits to be used for off-street parking lots to create a new lane for mixed auto/transit use; enhance streetscape standards; include streetcar and light rail transit capacity in the Virginia Street bridge design; and create multimodal center linking the new transit to a parking garage, the Amtrak Station, and the new 4<sup>th</sup> Street Transit Station adjacent to the Ballpark District.

The Linden-Grove neighborhood revitalization program is on target. Numerous projects, designed to reduce blight and crime as well as improve the quality of life in the neighborhood, have been completed including a neighborhood clean-up, improvements to lighting and upgrades at Yori Park. The second phase of the program will utilize \$200,000 in Community Development Block Grant funds provided through the American Recovery and Reinvestment Act of 2009 to improve sidewalks in the neighborhood. The money will build new sidewalks and replace deteriorated ones. The goal is to provide a continuous, unobstructed path for pedestrians on at least one side of the road.

The City is also maximizing available federal stimulus fund dollars by partnering with various community entities and private developers for conduit bonding provided through Recovery Zone Facility and Economic Development Bonds. Council approved the transfer of \$11.2 million of the City's allocation of Recovery Zone Economic Development (RZED) Bonds to the Nevada System of Higher Education so the University of Nevada-Reno can build a new medical education learning laboratory to train physicians. Council also approved the transfer of nearly \$22 million in RZED Bonds to the Washoe County School District for renovation and modernization of older schools within the city limits. In addition the City is conducting outreach to the community to identify potential projects that could qualify for Recovery Zone Facility Bonds. Council is expected to make a decision regarding the allocation of these bonds in December of 2009.

Another area of federal stimulus funding is being utilized is to provide assistance to individuals and families facing a loss of housing. The City received \$836,310 through the US Department of Housing and Urban Development under its new Homeless Prevention and Re-Housing Program. The money will help with rental assistance and housing relocation, as well as pay for related expenses such as security deposits and utility payments. Also, the City of Reno, City of Sparks and Washoe County through the Washoe County HOME consortium received \$4,697,642 through the Neighborhood Stabilization Program. These funds have been used to acquire more than 25 homes for resale or rental opportunities for low, moderate, and middle income households with incomes up to 120% of Washoe County's median income (\$84,480 for a family of four).

## **AWARDS AND ACKNOWLEDGMENTS**

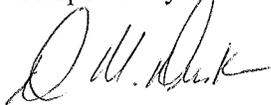
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Reno for its comprehensive annual financial report for the fiscal year ended June 30, 2008.

This was the 26th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis would not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and Gallina, LLP, Independent Certified Public Accountants. We would like to express our appreciation to all persons who assisted and contributed to the preparation of this report. In closing, without the support and responsible leadership of the City Council of the City of Reno, preparation of this report would not have been possible.

Respectfully submitted,



Donna Dreska  
City Manager



Mary Ann Parrot  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Reno  
Nevada

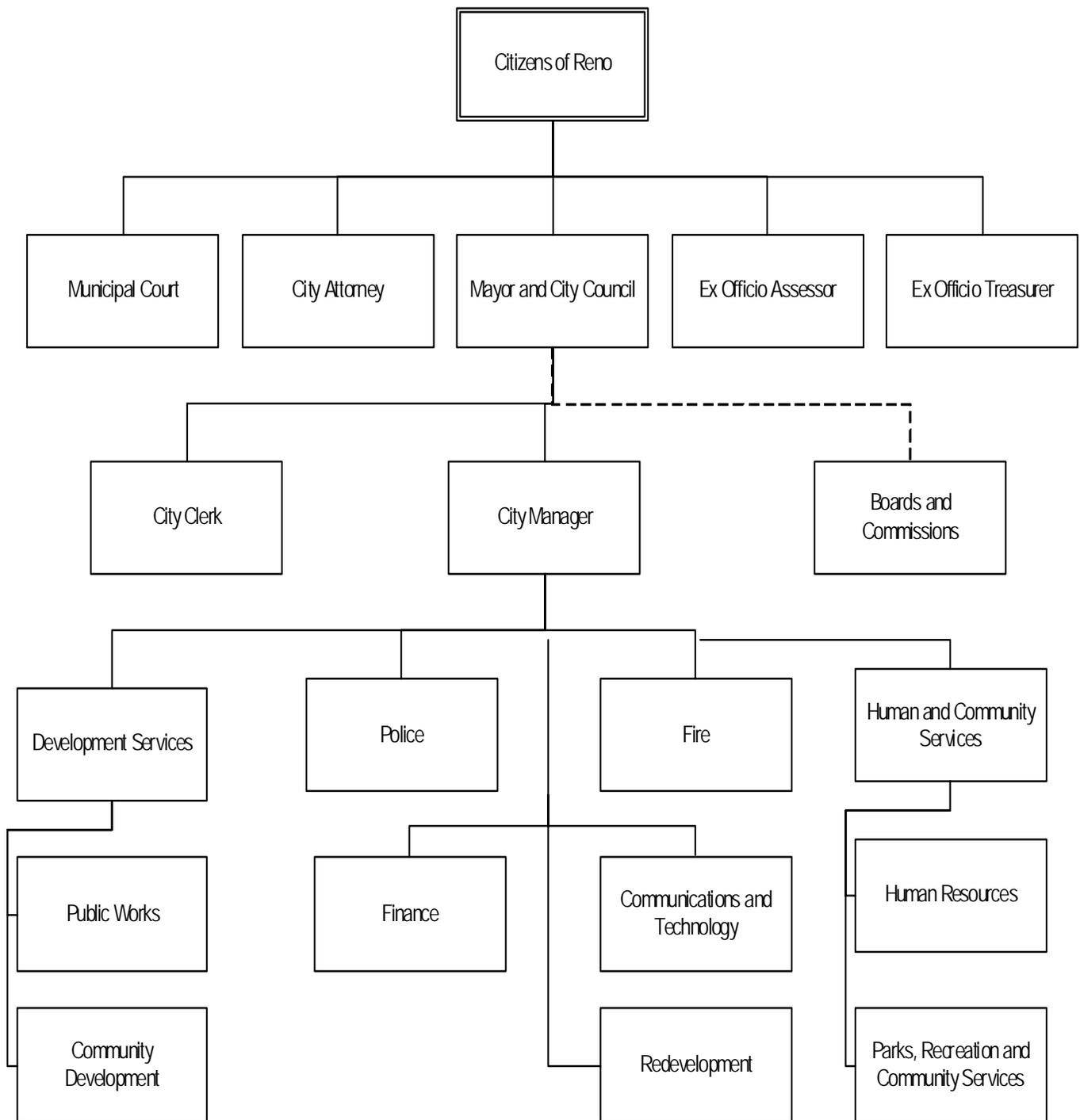
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



# ***CITY OFFICIALS***

## ***CITY COUNCIL***

Robert A. Cashell, Mayor  
Dan Gustin, Councilmember, Ward 1  
Sharon Zadra, Councilmember, Ward 2  
Jessica Sferrazza, Councilmember, Ward 3  
Dwight Dortch, Councilmember, Ward 4  
Dave Aiazzi, Councilmember, Ward 5  
Pierre Hascheff, Councilmember, At Large

## ***CITY MANAGER***

Donna Dreska

## ***CITY CLERK***

*Appointed by City Council*  
Lynnette R. Jones

## ***OTHER ELECTED OFFICIALS***

John Kadlic, City Attorney  
Jay Dilworth, Judge  
Paul Hickman, Judge  
James Van Winkle, Judge  
Kenneth Howard, Judge

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## **FINANCIAL SECTION**

---





## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Council Members  
of the City of Reno

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Reno, Nevada, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City of Reno's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Reno, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 2009, on our consideration of the City of Reno's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

To the Honorable Mayor and Council Members  
of the City of Reno

The Management's Discussion and Analysis (MD & A), as listed in the Table of Contents, is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules and the Schedule of Expenditures of Federal Awards (as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements. Accordingly, we do not express an opinion on them.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California  
December 7, 2009

---

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

---



## **City of Reno Management Discussion and Analysis**

The following management discussion and analysis is presented to provide the reader with an overview of the financial activity and overall financial condition of the City of Reno. The following document should be read in conjunction with the transmittal letter presented in the introductory section of this report to enhance the understanding of the financial information presented.

### **Financial Highlights**

- Net assets increased by \$7,694,435, or 0.78%, over the prior year balance after prior year adjustments (detailed in *Note 10 to the Financial Statements*).
- The City converted \$73 million of bonds related to the Downtown Events Center and Ballroom from auction rate securities to variable rate demand bonds (weekly interest mode), which dramatically reduced the City's interest rate and associated interest expense.
- The City issued \$45 million in medium-term bonds on June 30, 2009, to finance the accelerated street program beginning in FY 2010.
- The City entered into a \$2,340,000 installment purchase agreement to fund the installation of solar energy panels on selected buildings.
- The City issued \$34.7 million of sales tax increment bonds and the Redevelopment Agency of the City of Reno issued \$850,000 in tax increment bonds related to the construction of the Cabela's outdoor sports store.
- The City's Statement of Net Assets reflects a \$19.9 million net post-employment benefit obligation due to the City not fully funding its annual required contribution via a trust.
- Net capital assets grew 3.21% after prior year adjustments to improvements other than buildings and construction in progress.
- General Fund revenues totaled \$172,398,685, which is a 4.68% decline over the prior year. This figure excludes other financing sources.
- General Fund expenditures decreased 4.87% to \$157,362,498, excluding other financing uses such as transfers.
- Property tax revenue for the governmental activities increased by 9.29%.
- Consolidated taxes declined by \$7.7 million, or 15.00%, over the prior fiscal year.
- Cash and investments at the governmental funds level declined by 3.32%, while cash and investments in the General Fund decreased by 22.56%.
- The Building Permit Enterprise Fund experienced a 13.34% decline in charges for service after experiencing a 23.28% decline in the prior year, whereas the Planning Enterprise Fund experienced a 21.10% decline after a 34.62% prior year decline in the same category – both evidence of a flat, new residential housing market and further decline in new commercial project starts.

### **Financial Overview**

The basic financial statements of the City of Reno are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements. Additionally, supplemental information to the financial statements is contained in this report.

#### Government-wide Financial Statements

The government-wide financial statements are presented to provide readers with a broad overview of the City of Reno that is similar to that of the private sector.

The Statement of Net Assets presents information on all assets and liabilities for the City of Reno. The difference between the total assets and total liabilities is reported as “net assets.” Over time, increases and decreases in net assets may serve as an indicator of improvement or deterioration of financial condition.

The Statement of Activities reflects the changes which have occurred during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes.

Governmental activities which are supported primarily by taxes and intergovernmental revenues are distinguished from activities which are intended to recover all or a significant portion of costs through user fees and charges, as is the case with business-type functions, in the government-wide and fund financial statements. City of Reno governmental activities include those associated with general government; judicial; public safety; public works; planning and community development; and culture and recreation. The business-type activities for the City of Reno include sewer operations, golf operations, dispatch, planning, and building permit operations.

### Fund Financial Statements

A fund is a legal and accounting entity with a self-balancing set of accounts to record activity involving assets and liabilities. The City of Reno, as with other governmental agencies, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City of Reno are divided into governmental, proprietary, and fiduciary funds.

#### *Governmental Funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental funds focus on the current inflows and outflows of resources. This information is useful in determining current financial requirements.

The City of Reno maintains 32 separate funds/fund groups that make up the governmental fund category. Information is presented separately in the governmental balance sheet and the governmental statement of revenues, expenditures, and changes in fund balance in the following six funds because they qualify as major funds under the GASB 34 definition – General Fund, Railroad Debt Service Fund, Downtown Events Center Debt Service Fund, Special Assessment District Debt Service Fund, Streets Capital Project Fund, and Redevelopment Agency Capital Project Fund. Information for the remaining twenty-six (26) funds, which meet the definition of non-major funds, is aggregated for reporting purposes.

A separate budget is prepared, annually, for each fund reflecting anticipated resources and uses of the collected resources. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

#### *Proprietary Funds*

The City of Reno maintains enterprise and internal service proprietary fund types. Enterprise funds are used to account for functions presented in the business-type section of the government-wide financial statements. Enterprise funds consist of Sanitary Sewer, Golf Course, Dispatch Center, Planning, and Building Permit. Internal services funds are used to account for and allocate internal costs to the various functions in the City of Reno. The internal service funds include Motor Vehicle, Risk Retention, Self-funded Medical Plan, Self-funded Worker’s Compensation, and Communication and Technology. These internal service functions primarily benefit governmental as opposed to business-type activities. Consequently, they have been included in the governmental activities of the government-wide financial statements.

*Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside of the City of Reno government. These funds are not reflected in the government-wide financial statements because the resources are not available to support City of Reno programs.

Notes to the Financial Statements

Notes to the financial statements are included to provide information that is crucial to the full and complete understanding of the data provided in the government-wide and fund financial statements.

Other Information

Combining and individual fund statements and schedules are presented immediately following the notes to the financial statement section of this report.

**Financial Statement Analysis**

Government-Wide Financial Statement Analysis

In order to enhance analysis and provide a means for evaluating the City of Reno's financial position, comparative information is provided below.

**City of Reno's Net Assets**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008*</b>	<b>2009</b>	<b>2008*</b>	<b>2009</b>	<b>2008*</b>
Current and other assets	\$228,000,658	\$205,418,746	\$14,025,503	\$22,845,245	\$242,026,161	\$228,263,991
Restricted assets	-	-	22,086,323	25,539,816	22,086,323	25,539,816
Investment in Truckee Meadows Water Reclamation Facility	-	-	87,665,540	91,465,865	87,665,540	91,465,865
Delinquent accounts receivable	-	-	1,123,511	1,004,111	1,123,511	1,004,111
Capital assets	1,048,375,054	1,032,295,713	303,540,250	277,563,296	1,351,915,304	1,309,859,009
<b>Total Assets</b>	<b>1,276,375,712</b>	<b>1,237,714,459</b>	<b>428,441,127</b>	<b>418,418,333</b>	<b>1,704,816,839</b>	<b>1,656,132,792</b>
Current liabilities	54,335,775	54,763,760	11,265,998	15,386,759	65,601,773	70,150,519
Long-term liabilities	551,147,002	500,177,498	94,407,811	99,838,957	645,554,813	600,016,455
<b>Total Liabilities</b>	<b>605,482,777</b>	<b>554,941,258</b>	<b>105,673,809</b>	<b>115,225,716</b>	<b>711,156,586</b>	<b>670,166,974</b>
Net Assets:						
Invested in capital assets, net of related debt	637,593,225	605,628,846	204,952,767	185,088,496	842,545,992	790,717,342
Restricted	120,187,886	125,756,908	24,416,215	-	144,604,101	125,756,908
Unrestricted	(86,888,176)	(48,612,553)	93,398,336	118,104,121	6,510,160	69,491,568
<b>Total Net Assets</b>	<b>\$670,892,935</b>	<b>\$682,773,201</b>	<b>\$322,767,318</b>	<b>\$303,192,617</b>	<b>\$993,660,253</b>	<b>\$985,965,818</b>

\*Note: Certain categories within Governmental Activities and Business-type Activities for FY 2007/08 have been restated to reflect prior year adjustments netting to (\$2,266,417) and (\$498,361), respectively. Governmental Activities adjustments are as follows: (\$90,890) to Current and Other Assets; (\$1,566,310) to Capital Assets and to Invested in Capital Assets; Net of Related Debt, (\$609,217) to Current Liabilities; \$419,250 to Restricted Net Assets; and (\$1,119,357) to Unrestricted Net Assets. Business-type Activities adjustments are as follows: \$8,610 to Current and Other Assets; (\$14,745) to Restrict Assets; and (\$6,135) to Unrestricted Net Assets; and (\$492,226) to Capital Assets and to Investment in Capital Assets, Net of Related Debt. Explanations of the adjustments by category are presented in *Note 10 to the Financial Statements*.

Assets as of June 30, 2009, net of accumulated depreciation of \$622,911,557, totaled \$1,704,816,839 which represents a 2.94% increase over the prior year's adjusted total assets. Current and Other Assets include cash/investments, receivables, prepaid items, and capital assets. The change in Current and Other Assets in governmental activities is due to the characterization of capital outlay in the Redevelopment Agency as an addition to property held for resale rather than to capital assets, which was partially offset by reporting bond issuance costs on refunded debt as a component of deferred losses on refunding transactions that is reported under long-term liabilities. The (38.61%) change in Current and Other Assets in business-type activities is primarily due to spending FY 2007/08 bond proceeds on sewer projects. However, when combined with governmental activities, Current and Other Assets increased by 6.03%. Other asset investments include an \$87,665,540 ownership interest in the Truckee Meadows Water Reclamation Facility. Capital asset growth is responsible for 86.39% of the overall growth in total assets.

Liabilities, which consisted primarily of long-term debt, totaled \$711,156,586. Liabilities also include payables, unearned revenue, and a new component beginning in FY 2007/08 -- Net Other Post-employment Benefits (OPEB) obligation. The net OPEB obligation represents the unfunded portion of the annual required contribution (ARC) necessary to accrue for the actuarial liability for health care and other post-retirement benefit costs for future retirees. The City's ARC for FY 2008/09 was approximately \$12.5 million of which \$3.5 million was funded in the form of pay-as-you-go costs. Approximately \$14.65 million of the \$19.9 million net OPEB obligation is attributed to the Police and Fire functions.

A comparison of assets and liabilities for the government-wide financial statements reflect net assets of \$993,660,253. This total reflects an improvement during the year of \$7,694,435, or 0.78%, after taking into consideration prior period adjustments. The majority of the City of Reno's net assets, \$842.5 million or 84.79%, are reflected in investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, and construction in progress) net of related debt. The worker's compensation liability and the net OPEB obligation liability are the major contributors to the negative unrestricted net asset total for governmental activities.

Fiscal year 2008/09 activity for the government-type and business-type entities is presented in the Statement of Activities and summarized on the next page. As indicated in this statement, governmental activities reduced net assets of the City of Reno by \$11,880,266. Business-type activities increased net assets by \$19,574,701.

Total revenues in FY 2008/09 declined by 5.01% when compared to the previous year's total, while expenses increased 2.72%. Each function's expenses were again impacted by the City's decision to not fund the full amount of the OPEB ARC. The functions that experienced the largest impact of the OPEB-related expense were Police at \$4.0 million and Fire at \$2.8 million. Despite expenses related to the net OPEB obligation, the Fire and Police functions experienced declines in expenses of (15.96%) and (21.23%) primarily related to a \$17.6 million reduction in the incurred-but-not-reported (IBNR) claims liability for worker's compensation. The IBNR change resulted from reducing reserves on heart/lung claims related to employees who had not become permanently and totally disabled (PTD) -- an employee has to request to be a PTD and then must be approved to get that status. However, the City's former third party administrator had set high reserves on employees who either have not requested that status or have not been approved.

The almost doubling of expenses for the Planning and Community Development function is due the City's first-year operation of the women and family shelters that was supported by federal, state, county and private grants and contributions. The 39.77% increase in the Public Works function is due to \$30.7 million in book-entry only payments related to the Cabela's project, which were offset by the Series 2007 Sales Tax Increment Bonds (also book entry only). Excluding the Cabela's related transaction, expenses for the Public Works function declined by 5.80%.

## City of Reno Change in Net Assets

	Governmental Activities		Business Type Activities		Total	
	2009	2008*	2009	2008*	2009	2008*
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$77,136,374	\$73,649,297	\$47,927,811	\$48,925,709	\$125,064,185	\$122,575,006
Operating grants, interest and contributions	6,366,983	7,483,987	413,600	255,064	\$6,780,583	7,739,051
Capital grants, interest and contributions	50,180,570	75,035,849	23,216,960	20,534,505	\$73,397,530	95,570,354
<b>Total Program Revenue</b>	<b>133,683,927</b>	<b>156,169,133</b>	<b>71,558,371</b>	<b>69,715,278</b>	<b>\$205,242,298</b>	<b>225,884,411</b>
<i>General revenues:</i>						
Ad valorem taxes	74,689,217	68,342,284	-	-	\$74,689,217	68,342,284
Consolidated taxes	43,552,723	51,266,041	-	-	43,552,723	51,266,041
Shared revenues	4,553,515	5,366,694	-	-	4,553,515	5,366,694
Other taxes	31,063,910	24,576,099	-	-	31,063,910	24,576,099
Unrestricted investment & interest earnings	4,521,600	7,677,210	641,075	837,324	5,162,675	8,514,534
Other	1,455,769	1,044,345	6,036	8,841	1,461,805	1,053,186
<b>Total Revenues</b>	<b>293,520,661</b>	<b>314,441,806</b>	<b>72,205,482</b>	<b>70,561,443</b>	<b>365,726,143</b>	<b>385,003,249</b>
Expenses:						
General government	19,248,275	22,890,393	-	-	19,248,275	22,890,393
Judicial	8,079,846	7,842,206	-	-	8,079,846	7,842,206
Police	59,237,378	70,490,199	-	-	59,237,378	70,490,199
Fire	51,243,170	65,056,693	-	-	51,243,170	65,056,693
Public works	94,265,944	67,445,200	-	-	94,265,944	67,445,200
Planning & community development	11,375,172	5,837,233	-	-	11,375,172	5,837,233
Culture & recreation	21,812,749	22,368,698	-	-	21,812,749	22,368,698
Urban redevelopment	4,122,270	3,552,503	-	-	4,122,270	3,552,503
Interest & fiscal charges	25,547,548	20,945,037	-	-	25,547,548	20,945,037
Sanitary sewer	-	-	45,214,366	41,914,533	45,214,366	41,914,533
Golf courses	-	-	1,548,215	1,779,539	1,548,215	1,779,539
Building permits	-	-	6,724,452	7,773,077	6,724,452	7,773,077
Planning	-	-	3,024,012	3,776,183	3,024,012	3,776,183
Dispatch	-	-	6,588,311	6,881,512	6,588,311	6,881,512
<b>Total Expenses</b>	<b>294,932,352</b>	<b>286,428,162</b>	<b>63,099,356</b>	<b>62,124,844</b>	<b>358,031,708</b>	<b>348,553,006</b>
<b>Change in net assets before transfers</b>	<b>(1,411,691)</b>	<b>28,013,644</b>	<b>9,106,126</b>	<b>8,436,599</b>	<b>7,694,435</b>	<b>36,450,243</b>
Transfers	(10,468,575)	(4,566,309)	10,468,575	4,566,309	-	-
<b>Change in Net Assets</b>	<b>(11,880,266)</b>	<b>23,447,335</b>	<b>19,574,701</b>	<b>13,002,908</b>	<b>7,694,435</b>	<b>36,450,243</b>
<b>Net Assets, July 1, 2008</b>	<b>682,773,201</b>	<b>659,325,866</b>	<b>303,192,617</b>	<b>290,189,709</b>	<b>985,965,818</b>	<b>949,515,575</b>
<b>Net Assets, June 30, 2009</b>	<b>\$670,892,935</b>	<b>\$682,773,201</b>	<b>\$322,767,318</b>	<b>\$303,192,617</b>	<b>\$993,660,253</b>	<b>\$985,965,818</b>

\*Note: Certain categories within Governmental Activities and Business-type Activities for FY 2007/08 have been restated to reflect prior year adjustments netting to (\$2,266,714) and (\$498,361), respectively. Governmental Activities adjustments are as follows: (\$5,314,447) to Program Revenues, \$5,173,257 to General Revenues, and \$2,125,227 to Expenses. Business-type Activities adjustments are as follows: (\$79,788) to Program Revenues, \$73,653 to General Revenues, and \$492,226 to Expenses. Explanations of the adjustments by category are presented in *Note 10 to the Financial Statements*.

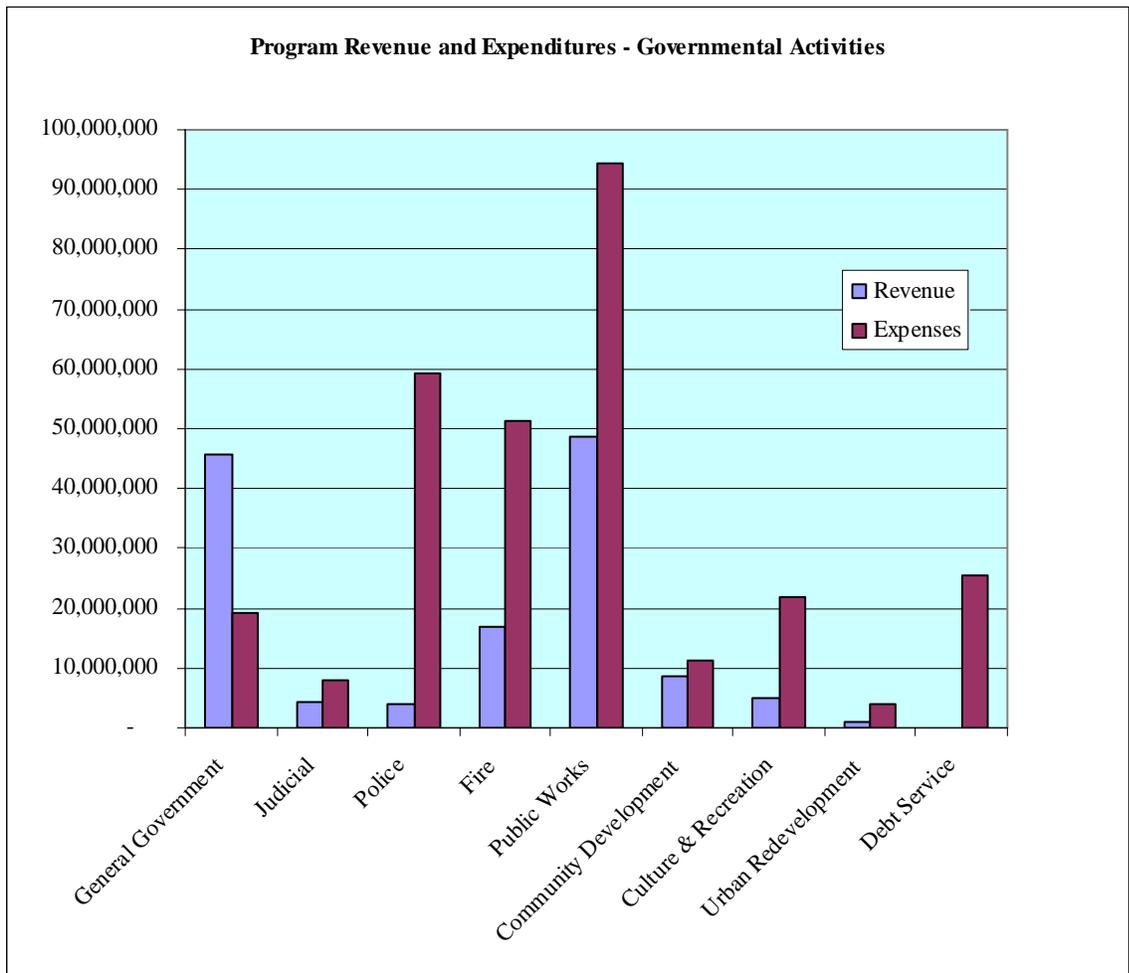
General revenues in the current year registered only a 0.86% growth over general revenues collected in the prior year. While property tax revenues registered 9.29% growth, consolidated tax revenues declined by 15.00%. Shared revenues (AB104 and County gaming taxes) registered a decline of 15.15%.

Program revenues overall declined 9.14%, primarily due to declines in grants and contributions. Charges for services experienced a modest 2.03% increase.

The largest percentage decrease in revenues occurred in the unrestricted investment and interest earnings category at (39.37%). Unrestricted investment and interest earnings decreased 41.10% for governmental activities and 23.44% for business-type activities. The drop in interest earnings is primarily due to the dramatic drop in market interest rates, as well as to overall lower cash balances.

*Governmental Activities*

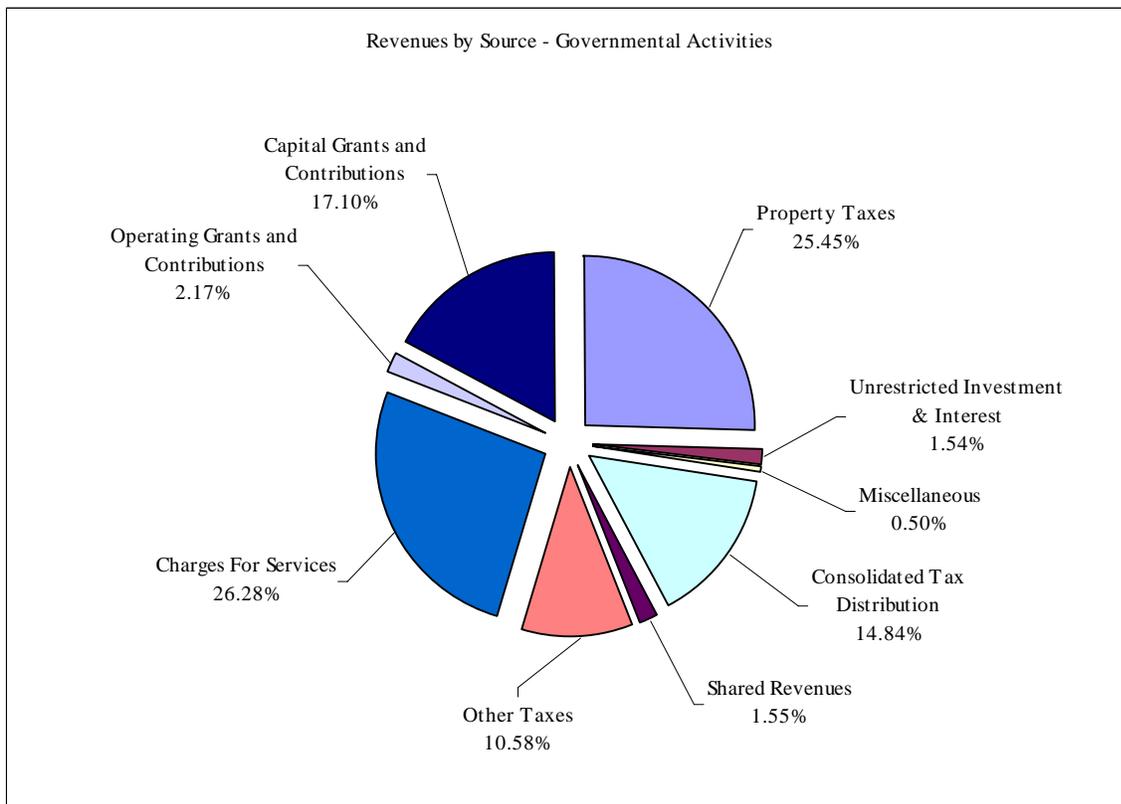
Program revenues are those revenues that are derived directly from the program itself or from parties outside of the City’s taxpayers or citizenry. They reduce the net cost of the function to be financed from the City’s general revenues which include property taxes and other taxes. The following chart compares the expenses for a particular program and the revenues generated by the program to defray those expenses.



Total program revenues and expenses for governmental activities amounted to \$133,683,927 and \$294,932,352 respectively, for the 2008/09 fiscal year. As indicated in the chart above, expenses exceeded program revenues for all functions except General Government. This indicates that services provided within those functions by the City of Reno are funded with tax dollars and other general revenues rather than from direct charges for those services. The gap between expenses and program revenues for Public Works and Community Development are lessened due to the receipt of operating and capital grants from federal and state governments, as well as due to private grants and developer contributions.

While the major source of debt payments for the depressed railway and downtown events center projects are sales taxes and/or room taxes levied by ordinances specifically for these projects, because they are taxes by nature, they are reported under general revenues rather than as program revenues. This also holds true for debt that is repaid from ad valorem taxes.

The sources of revenues have been charted to show their respective percentage of total revenues. Charges for services became the largest revenue contributor, followed by property taxes. Consolidated tax revenues that prior to fiscal year 2008/09 were the largest or second largest source of revenue dropped to the fourth largest revenue source at 14.84%, which is indicative of the decline in Nevada's economic condition over the past two fiscal years.

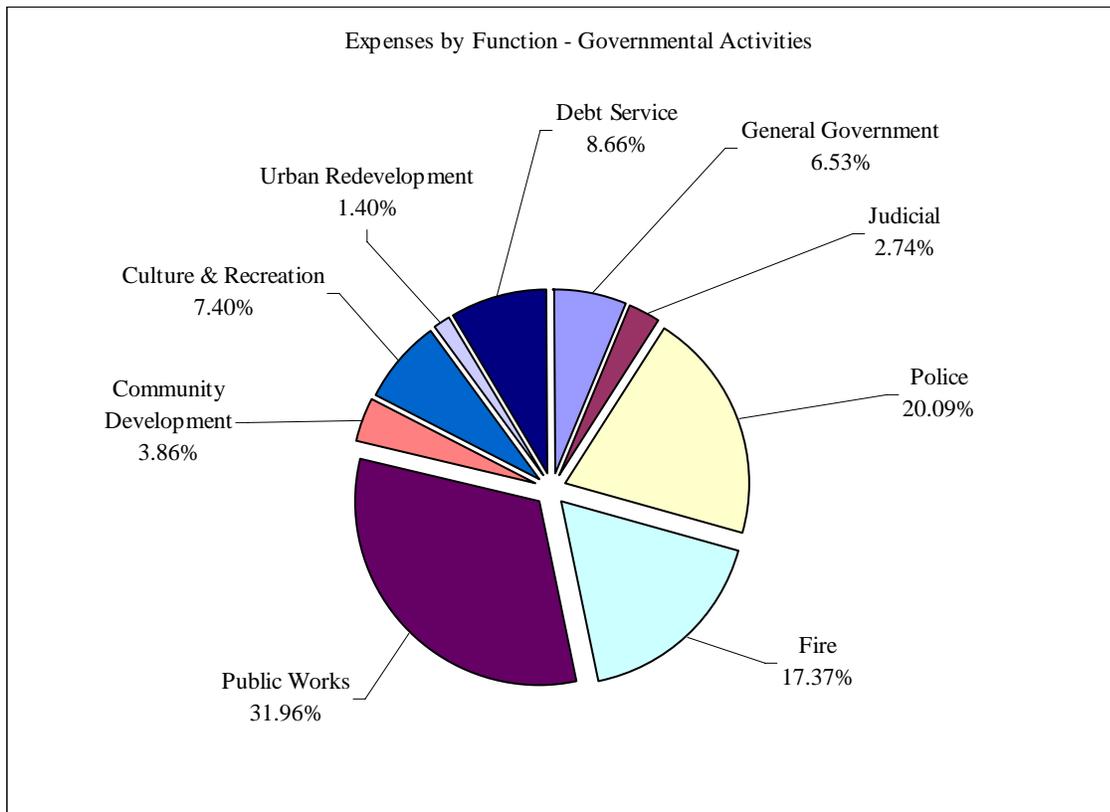


The 9.29% growth in property tax revenues continues to be attributable to the continued residual effect of the construction boom experienced in fiscal years 2005 through 2006. In 2005 the Nevada State Legislature passed a bill to cap residential property tax revenue growth at 3% and commercial property growth at ten-year rolling average or 8%, whichever is less. Thus, the growth in the tax base helped partially negate the effect of the property tax cap imposed by the 2005 legislation, which is also known as the Abatement Act.

In terms of prior year change, consolidated taxes percentage continued its decline from (7.22%) in FY 2007/08 to (15.00%) in FY 2008/09. With regards to the sales tax component of consolidated tax, the largest declines in Washoe County were experienced by industries related to construction (the heavy and civil engineering construction

and building construction), motor vehicle and parts dealers, and consumer retailers, particularly furniture and home furnishings stores and electronics/appliance stores.

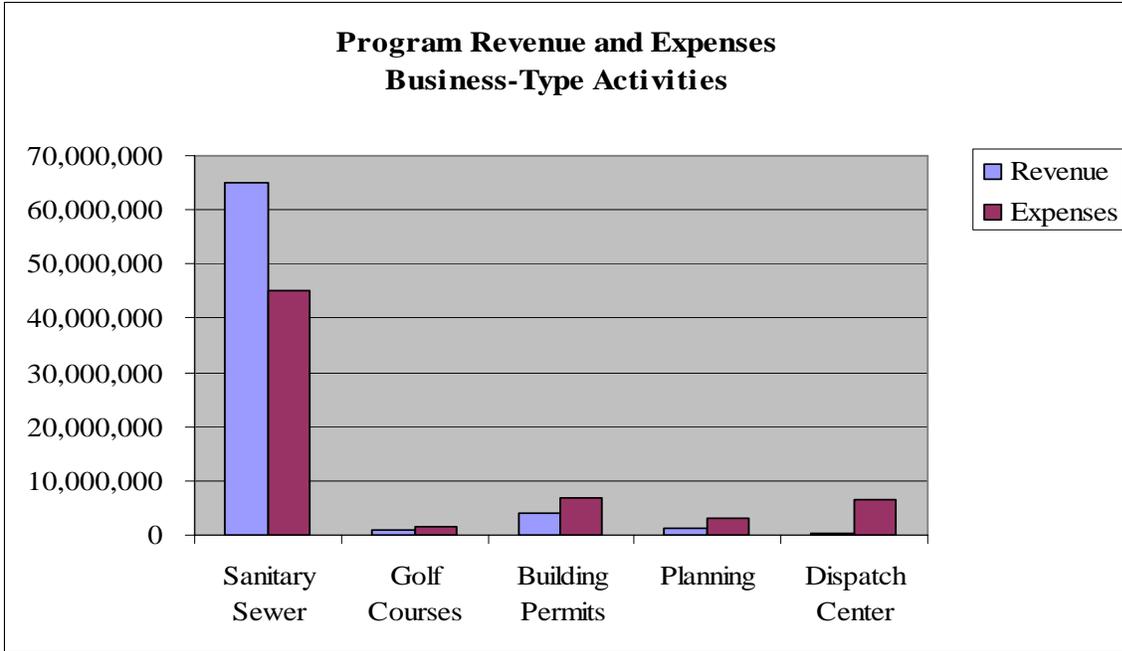
The following chart provides a comparison of expenses by function/program as a percentage of total expenses for all governmental activities. Public Works has become the largest function in terms of cost, mostly due to depreciation costs related to infrastructure assets and to a one-time, book entry only expense related to the Cabela's project. Police poses the next largest cost to the city. Fire was third in regards to expenses generated. When combined under the Public Safety category, Police and Fire collectively represent 37.46% of total governmental expenses. If Public Works expense is adjusted to remove the effect of the \$30.7 million noncash item, Public Safety accounts for 41.82% of total government expenses. This is a decrease from the FY 2007/08 percentage of 47.67% of total governmental expenses. Additional explanations for the decline in expenses will be discussed under *Major Governmental Funds*.



### *Business-type Activities*

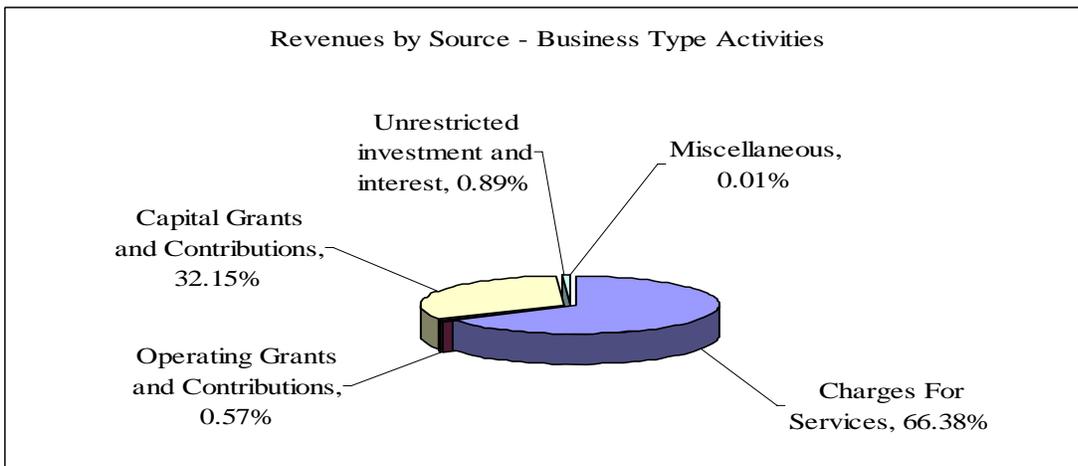
Business-type activities include sanitary sewer operations, a City-owned golf course, building permit operations, planning, and the dispatch center's operations. Total program revenues and expenses are \$71,558,371 and \$63,099,356, respectively, for business-type activities for the 2008/09 fiscal year. The following graphs and charts are provided to enhance understanding of these activities.

The Sanitary Sewer program continues to be self-supporting, with program revenues exceeding operating expenses by \$19,799,643. The remaining programs all experienced operating losses. The Dispatch Center experienced the largest operating loss at (\$6,235,686) as it is primarily funded by transfers from governmental activities (General Fund) rather than from charges for service. The Golf Course Fund experienced a net operating loss of \$688,611, which is lower than the \$823,143 loss experienced in FY 2007/08 due to cost-cutting measures.



The Planning Fund and Building Fund have experienced operating losses for the third year in a row. Charges for services were down by 21.10% and 13.34%, respectively, for these two funds. Washoe County saw a continued overall decline in building during the fiscal year. Total permits issued for all categories declined by 23.27% in FY 2008/09 after a decline in the prior year of 20.62% and 25.8% in FY 2007. All categories of permits have been negatively impact by the economic downturn. Operating expenses have been reduced as well, with Planning experiencing a (21.66%) reduction and Building experiencing a (14.98%) reduction. Excluding the impact of recording the unfunded ARC for OPEB, the reductions were (22.94%) and 17.12%), respectively, which reflects various cost-cutting measures taken by the City.

As expected, charges for services remain the major source of revenue for business-type activities. The percentage of total revenues for charges for services declined from 69.44% in the 2007/08 fiscal year to 66.38%. In terms of dollars, charges for services declined \$997,898 despite a 4% sewer rate increase in October 2008 in the Sanitary Sewer Fund. This is due to the continued decline in charges for service in the Building and Planning Funds.



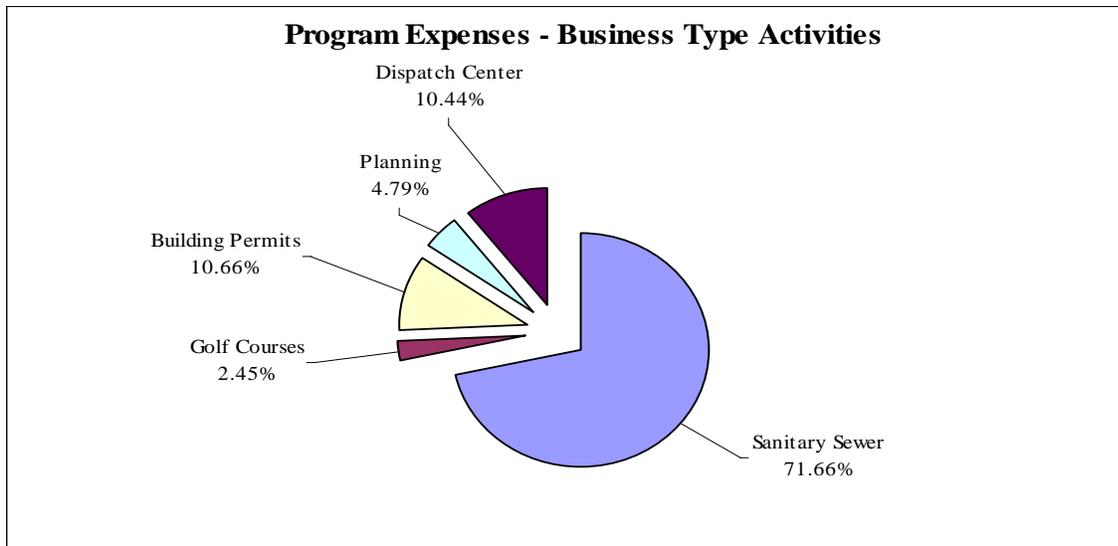
The chart below breaks out business-type expenses by category. Total business-type expenses saw an overall 1.57% increase over the prior year. Salaries and wages declined slightly despite severance/early separation payments associated with the early out program offered by the City. Employee benefits registered a slight increase, whereas services and supplies experienced the largest decline due to cost-cutting measures, including reductions associated with the motor vehicle replacement and risk programs.

### Business-type Expenses by Type

	Business-type Activities		
	2009	2008	% Chg
Salaries and wages	\$ 14,300,509	\$ 14,351,708	-0.36%
Employee Benefits	6,325,081	6,404,681	-1.24%
Services and supplies	15,178,480	16,395,554	-7.42%
Depreciation	8,106,137	7,535,980	7.57%
Interest/issue costs	2,688,042	1,687,238	59.32%
Loss relating to Joint Sewer Plant	16,501,107	15,749,683	4.77%
<b>Total</b>	<b>\$ 63,099,356</b>	<b>\$ 62,124,844</b>	<b>1.57%</b>

Interest and issue costs increased as FY 2008/09 marked the first year of debt service on the 2008 Medium-term Sewer Bonds that were issued in June of 2008.

The following chart graphically presents the percentage contribution of each business-type's expenses to total expenses.



## **Financial Analysis of the Government's Funds**

The financial information presented thus far has focused on government-wide statements prepared using the full accrual method of accounting. As previously discussed, the focus of fund accounting is to measure inflows and outflows of current resources. This serves as an important measure of working capital for service provision to Reno residents. In particular, unreserved fund balance is useful in measuring resources available for spending at fiscal year-end. Since the focus in fund accounting is on current resource activity, the balance sheet does not reflect long-term assets and debt. The following pages summarize the FY 2008/09 results under this focus.

### Governmental Funds

The governmental funds of the City of Reno reflected a combined total assets and liabilities of \$202,664,082 and \$57,533,221, respectively. This resulted in a total combined fund balance of \$145,130,861. The unreserved portion of the combined fund balance amount was \$4,638,355. This represents a change of (48.53%) from the prior reporting period, which reported a \$9,012,092 balance in unreserved fund balance. The decline occurred primarily in the General Fund and can be attributed, in part, to the decline in consolidated tax revenues as previously mentioned, as well as transfers to support operations of the Golf Course, Building and Planning Funds.

In response to the reduction in consolidated tax revenues for FY 2008/09, the City took another of cost-cutting measures during the year, including a mandatory across-the-board 4% reduction in services and supplies; additional reductions in services and supplies by a number of departments; either the scaling down or indefinite postponement of various capital projects; freezing vacant positions; and reduction of risk premiums and motor vehicle replacement allocations. The City also offered various early retirement and early separation programs that somewhat increased FY 2008/09 expenditures but will significantly reduce personnel costs in fiscal years 2010 and 2011 due to freezes on those vacant positions – some for up to three years.

### *Major Governmental Funds*

The primary operating fund of the City of Reno is the General Fund. For the fiscal year ended June 30, 2009, the unreserved fund balance in the General Fund was \$8,500,411 and the total fund balance was \$10,067,050. This is a 32.50% decrease over the FY 2007/08 total fund balance, which is the result of negative growth in revenues and a net increase in transfers to other funds. As a measure of the General Fund's liquidity, it is useful to compare both the unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 5.40% of total fund expenditures while total fund balance represents 6.40% of expenditures. This represents less than one month of expenditures.

The largest component of the governmental funds category for the 2008/09 fiscal year with respect to total assets, excluding the General Fund, is the Streets Capital Project. Inclusion of the fund as a major fund is due to a cash infusion of \$44.8 million from bond proceeds, which will be used to fund the City's accelerated streets rehabilitation project over the next three years. Total fund balance for the Streets Capital Project Fund is \$44,894,514.

The next largest component of the governmental funds category with respect to total assets, excluding the General Fund, is the Redevelopment Agency Capital Projects Fund. This fund's largest asset is property held for resale, which includes the triple A baseball park and two temporary fire stations that replaced the downtown fire station displaced by the baseball park. It is anticipated that this fund will be closed out in FY 2010 and the assets transferred to the Redevelopment Agency General Fund. Total fund balance for the Redevelopment Agency Capital Projects Fund is \$36,704,431.

Another major governmental fund is the Railroad Debt Service Fund. Assets total \$22,646,553, or 11.17% of the total governmental fund assets and are primarily comprised of cash and investments for payment of principal and interest on outstanding debt, as well as deferred special assessment revenues that will meet debt service requirements for \$12.2 million in SAD bonds outstanding. The primary repayment source is dedicated sales and room tax collections. The total fund balance for the Railroad Debt Service Fund is \$10,965,108.

The Downtown Events Center Debt Service Fund accumulates money for the payment of principal and interest on outstanding revenue and special assessment district bonds used to construct the multi-purpose facility. The principal

asset of the fund is deferred special assessment revenues which, as collected, will provide the funds needed to meet debt service requirements for \$6.8 million in SAD bonds outstanding. Cash and investments represent the bulk of the remaining assets. The primary repayment source has been room taxes (85.76% of total revenues). Total fund balance at June 30, 2009, was \$2,051,081, which represents a 66.80% decline over the FY 2007/08 balance. Fund balance rapidly declined during the fiscal year because of the failure of the auction rate bond market, which resulted in interest rates paid on \$73 million of bonds climbing to 15% in September 2008 and remaining there until February when the bonds were converted from auction rate to weekly mode rate. Since conversion, the interest rate has averaged just under fifty (50) basis points.

The Special Assessment Districts Debt Service Fund accumulates money for the payment of special assessment bonds, excluding those issued for the Downtown Events Center and Railroad projects, issued by the City. The total fund balance for this fund at fiscal year-end 2008/09 is \$3,136,459. No new special assessment debt was issued during the fiscal year.

### Proprietary Funds

The proprietary funds of the City of Reno reflected a combined total amount of assets and liabilities of \$440,913,806 and \$108,523,809, respectively. This resulted in a total net assets balance of \$332,389,997. After consolidation of internal service fund activities related to services provided to the enterprise funds, total net assets declined to \$322,767,318. The portion of the FY 2008/09 net change in assets for internal service funds allocated to enterprise funds totaled (\$1,851,995). Unrestricted net assets total \$93,398,336, after consolidation of internal service fund activity. The major cost cutting efforts discussed under *Governmental Funds* have also been applied to proprietary funds.

#### *Major Proprietary Funds*

The Sanitary Sewer Fund accounts for sewer services provided to Reno's citizens and some residents of Washoe County. Unrestricted net assets at the end of the 2008/09 fiscal year amounted to \$107,387,040. Total operating revenues rose 4.43% after excluding a one-time \$1.6 million reimbursement from Washoe County for FY 2007/08 related to the Truckee River Water Quality Settlement Agreement. The 4.43% increase is a result of the 4% rate hike effective October 1, 2008. The rate increase is the fourth required by a rate restructuring program that commenced on October 1, 2005, when a 25% increase was implemented. Expenses rose 3.29%. After accounting for the City's share of the net loss from the Truckee Meadows Water Reclamation Facility of \$4,134,731, the Sanitary Sewer Fund registered net income before capital contributions and transfers of \$335,294.

The Building Permit Fund accounts for activities involved in issuing a building permit which authorizes the construction of a structure. Net assets at the end of FY 2008/09 amounted to (\$1,284,313), which is a decline of 128.41% from FY 2007/08. As mentioned previously, the decline in building permits issued by the City of Reno that began in FY 2007 has continued into FY 2008/09. Although operating expenses declined 14.98%, lower revenues resulted in a net operating loss of \$2.35 million.

The Planning Fund accounts for activities involved in promoting the health, safety and welfare of the community by preparing, implementing, reviewing and inspecting plans and construction projects for the physical development of the City and for conformance to applicable codes and ordinances. This fund, which was created in FY 2004/05, has been the most severely impacted by the stagnation in new and rehab construction. Operating revenues, which dropped by more than half in FY 2007, continue to decline. In FY 2008/09 charges in service registered (21.10%) growth. Despite the 21.66% drop in operating expenses, the fund realized a net operating loss of \$1.53 million. The fund ended the year with (\$2,320,037) in net assets. The fund's net asset position actually improved when compared to that of the prior year due to a \$2.25 million cash transfer from the General Fund. Senior management continues to look at various options regarding the future of this fund.

### **Budgetary Highlights for General Fund**

Functions represent the legal level of budgetary control. The final revised budget appropriation for the General Fund expenditures was \$160,675,840, excluding other financing uses, which is 2.12% lower than the original budget of \$164,151,062. As shown in the following table, half of the governmental functions' FY 2008/09 appropriations are

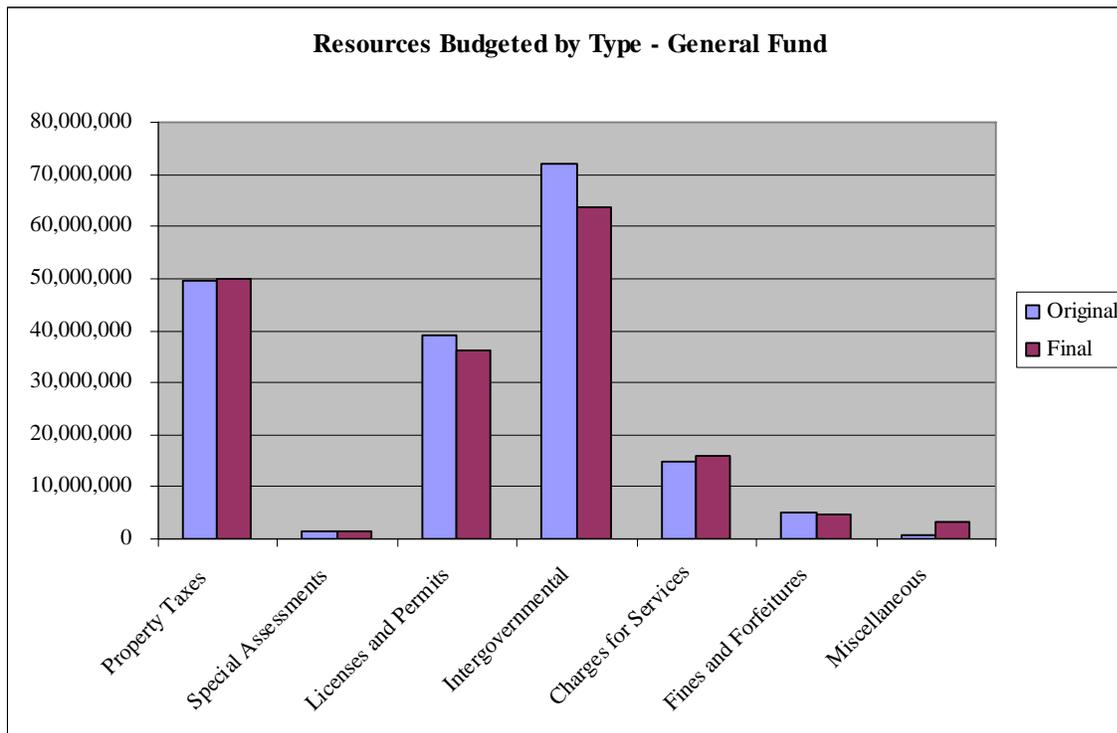
substantially equivalent to their respective appropriations on a total budget percentage basis for the prior fiscal year 2007/08.

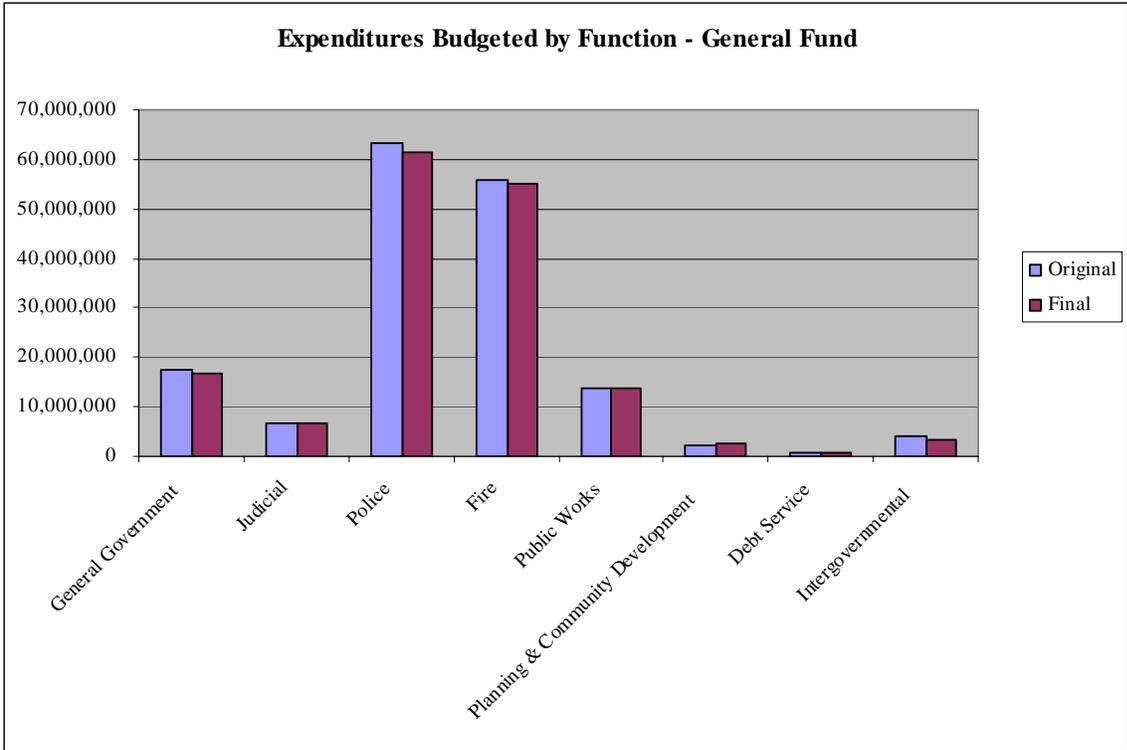
The City's recession plan implemented in FY 2000/01 requires departments to refrain from spending 2% of their services and supplies budget less internal risk premiums. Because of the decline in consolidated tax revenues, the hold-back percentage was increased to 4%, with additional departments taking higher percentage cuts where possible. These actions resulted in the General Fund's actual expenditures being lower than final budgeted expenditures by 2.06%.

### Final Expenditure Budget by Function - General Fund

	<u>2009</u>	<u>% of Total Budget</u>	<u>2008</u>	<u>% of Total Budget</u>
General Government	\$ 16,738,204	10.4%	\$ 17,544,901	10.6%
Judicial	6,834,842	4.3%	6,593,639	4.0%
Police	61,358,441	38.2%	62,410,890	37.7%
Fire	54,977,712	34.2%	58,230,876	35.1%
Public Works	13,877,644	8.6%	13,837,945	8.4%
Planning & Community Devt	2,506,240	1.6%	1,646,903	1.0%
Debt Service	917,757	0.6%	462,515	0.3%
Intergovernmental	3,465,000	2.2%	4,942,339	3.0%
	<u>\$ 160,675,840</u>		<u>\$ 165,670,008</u>	

The following charts provide a comparison of original budget and final budget numbers for revenue sources and expenditures by function.





**Capital Assets Activity**

As shown by the chart below, at June 30, 2009, the City of Reno had a net capital asset investment of \$1,351,915,304 in governmental and business-type activities. This represents an increase of 3.21% when compared to the prior year, and includes investment in land, buildings, improvements, machinery and equipment, infrastructure, and works of art. This figure is also net of accumulated depreciation totaling \$622,911,557.

Major capital investment activities for the 2008/09 fiscal year include:

- The addition of \$34.9 million in newly dedicated and constructed infrastructure assets, such as streets, traffic signals, and curb and gutter;
- The addition of \$19.7 million of sewer lines and storm drain assets dedicated to the City by developers; and
- The addition of \$14.8 million in construction in progress, including \$8.9 million for the cover over a portion of the depressed railroad trench, and \$4.1 million for street rehabilitation projects.

Additional information on capital assets is presented in Note 5 in the *Notes to the Financial Statements* section of this report.

**City of Reno's Capital Assets  
(Net of Accumulated Depreciation)**

	Governmental Activities		Business Type Activities		Total	
	2009	2008*	2009	2008*	2009	2008*
Land and water rights	\$147,605,672	\$143,260,745	\$12,371,588	\$12,371,588	\$159,977,260	\$155,632,333
Construction in progress	31,695,922	69,522,218	59,323,069	52,441,896	91,018,991	121,964,114
Buildings	182,100,879	145,072,861	8,720,216	9,069,622	190,821,095	154,142,483
Arts and historical treasures	1,888,003	1,898,562	-	-	1,888,003	1,898,562
Improvements other than buildings	257,042,529	258,062,257	222,567,827	203,039,747	479,610,356	461,102,004
Equip't & motor vehicles	20,574,216	22,292,321	557,550	640,443	21,131,766	22,932,764
Infrastructure	407,467,833	392,186,747	-	-	407,467,833	392,186,747
<b>Total</b>	<b>\$1,048,375,054</b>	<b>\$1,032,295,713</b>	<b>\$303,540,250</b>	<b>\$277,563,296</b>	<b>\$1,351,915,304</b>	<b>\$1,309,859,009</b>

\*Note: Totals for Governmental Activities for FY 2007/08 have been restated to reflect the following prior year adjustments: \$21,800 net increase to Improvements Other Than Buildings, and a \$1,588,110 net decrease to CIP. Totals for Business-type Activities have been restated to reflect a \$492,226 net decrease to CIP. Further discussion of the adjustments is presented in the *Notes to the Financial Statements*.

**Long-term Debt Activity**

Long-term debt outstanding at June 30, 2009 totaled \$621,597,447, a 9.78% increase when compared to the prior year. Debt for governmental activities represents 83.77% of total debt outstanding, with debt related to business-type activities accounting for 16.23% of the total debt outstanding.

As of June 30, 2009, the City of Reno had \$156,347,000 of general obligation debt outstanding that is subject to the legal debt margin. After adjusting for monies currently available in the fund for debt service, this was below the legal debt limit of \$1,151,934,000 by \$995,587,000.

In February of 2009, the City converted the 2005A Tax-exempt Capital Improvement Revenue Refunding Bonds from auction rate securities to variable rate demand bonds, which will reduce the market rate exposure to the City. The bonds issued originally were used to fund the purchase of the National Bowling Stadium from Washoe County and to construct the Downtown Events Center and Ballroom facilities.

In addition to the debt restructuring discussed above, the following bonds and notes payable were issued:

- In October of 2008, \$16,525,000 of 2007A Tax-exempt Sales Tax Increment Bonds and \$18,175,000 of 2007B Taxable Sales Tax Increment Bonds were issued to provide funding for the Cabela's project. Repayment will come from incremental sales tax revenue generated by sales to out-of-state customers.
- In October of 2008, the Redevelopment Agency District Two issued \$850,000 of 2008 Taxable Revenue Bonds to provide funding for the Cabela's project. The bonds will be repaid from property tax increment.
- Effective June of 2009, a \$2,340,000 of Installment Purchase Agreement was issued to fund energy efficiency enhancements to various City-owned buildings. The bonds will be repaid from savings realized on utility bills.
- In June of 2009, \$45,000,000 of General Obligation Medium-term Bonds to fund the accelerated street program. The bonds will be repaid with motor vehicle fuel tax revenues.

Note 8 in the *Notes to the Financial Statements* section of this report provides additional details related to new debt issued by the City of Reno during the fiscal year.

The chart below summarizes the City of Reno's outstanding debt. Additional information regarding the City of Reno's debt structure is presented in Note 8 in the Notes to Financial Statements section of this report.

**City of Reno's Outstanding Debt**  
(Net of Discounts, Premiums and Deferred Loss (Gain) on Refunding)

	Governmental Activities		Business Type Activities		Total	
	2009	2008*	2009	2008*	2009	2008*
General obligation bonds	\$ 92,291,863	\$ 51,984,698	\$ -	\$ -	\$ 92,291,863	\$ 51,984,698
Special assessments	23,030,727	24,785,686	-	-	23,030,727	24,785,686
Pledged Revenues - Sales and Room taxes	337,569,427	315,927,135	-	-	337,569,427	315,927,135
Pledged Revenues - Other	27,713,321	28,535,926			27,713,321	28,535,926
Sanitary Sewer bonds			96,122,110	101,971,313	96,122,110	101,971,313
Golf Course bonds	-	-	2,465,373	2,658,411	2,465,373	2,658,411
Notes payable	5,802,000	6,453,000	-	-	5,802,000	6,453,000
Capital leases	4,374,276	5,062,334	-	-	4,374,276	5,062,334
Installment purchase agreements	2,340,000	-			2,340,000	-
Compensated absences payable	27,845,107	27,106,856	2,043,243	2,027,197	29,888,350	29,134,053
Total	\$520,966,721	\$459,855,635	\$100,630,726	\$106,656,921	\$621,597,447	\$566,512,556

The City of Reno maintains an Aa3 rating from Moody's and an A+ from Standard and Poor's.

**Known Economic Factors**

- The City of Reno is heavily reliant on property tax revenues from property within its boundaries. While the City experienced 9.29% growth in FY 2008/09, the Washoe County Assessor announced property devaluations that were factored into the FY 2010 budget, as well as additional proposed property devaluations for FY 2011.
- The City of Reno is also heavily reliant on consolidated tax revenues. In FY 2008/09, consolidated tax revenues declined 15.00%.
- Scheels, a retailing concern with 21 stores in seven mid-western states and touted as the world's largest all sports store, opened in September 2008, that will generate additional sales tax that will benefit all of Washoe County, including Reno.
- The Reno Aces, a Pacific Coast League AAA baseball team, celebrated a successful first season in its new complex, which was a joint Redevelopment Agency and private developer project. Phase II has begun to add restaurants on the baseball stadium sight. Phase III is in the planning stage and when completed will spur additional retail development in the downtown area, which will help generate the sales tax increment to be used to repay the construction/development costs. Phases II and III will occur in the newly created Sales Tax Anticipation Revenue (STAR) bond district, thus allowing for the possibility of issuing bonds to aid in the development that will be repaid from sales tax increment.
- The ReTRAC Enhancement Project – a cover over a two-block area of the depressed railroad spur that runs through the middle of downtown was completed to create an additional public plaza. This project will help stimulate activity in the downtown area.
- The Tessera STAR bond district was approved by the Governor and the City Council and will eventually lead to the revitalization of an area to the northeast of downtown Reno.
- The City's Redevelopment Agency continues to assist various small businesses, through donations and business loans, in establishing sites in the downtown area. This activity will help generate additional tax and business license revenues for the City.

- In June of 2009 the unemployment rate in the Reno MSA was 11.8%, which is 0.2% lower than the state unemployment rate of 12.0% and higher than the national rate of 9.5%, respectively. The Reno MSA unemployment is up significantly from 6.4% for the same time period one year ago. The annual job growth rate for the Reno metropolitan area between June 2008 and June 2009 was (8.1%).

### **Requests for Information**

This financial report is designed to provide a general overview of the financial activity and condition of the City of Reno to all having such an interest in the City of Reno. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Reno Finance Department, One East First Street, P. O. Box 1900, Reno, Nevada, 89505.

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

**BASIC FINANCIAL STATEMENTS**  
**Government-Wide Financial Statements**

---



# CITY OF RENO, NEVADA

## Statement of Net Assets

June 30, 2009

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 112,744,839	\$ 2,102,099	\$ 114,846,938
Receivables:			
Accounts	4,360,115	7,496,038	11,856,153
Accrued interest	363,299	6,567	369,866
From other governments	19,603,429	3,329,609	22,933,038
Delinquent taxes	1,850,906	--	1,850,906
Special assessments	22,949,126	--	22,949,126
Long-term	850,791	10,309,896	11,160,687
Internal balances	9,622,679	(9,622,679)	--
Inventories	908,086	133,029	1,041,115
Prepaid items	439,921	11,398	451,319
Property held for resale	44,767,641	--	44,767,641
Other assets	442,930	--	442,930
Deferred charges	9,096,896	259,546	9,356,442
Restricted assets	--	22,086,323	22,086,323
Investment in Truckee Meadows Water Reclamation Facility	--	87,665,540	87,665,540
Delinquent accounts receivable	--	1,123,511	1,123,511
Capital assets, non-depreciable	179,301,594	71,694,657	250,996,251
Capital assets, depreciable (net of accumulated depreciation)	869,073,460	231,845,593	1,100,919,053
<b>TOTAL ASSETS</b>	<b>1,276,375,712</b>	<b>428,441,127</b>	<b>1,704,816,839</b>
<b>LIABILITIES</b>			
Accounts payable	4,234,379	205,113	4,439,492
Accrued salaries and benefits	6,097,904	520,458	6,618,362
Contracts and retained percentage payable	4,164,155	804,144	4,968,299
Accrued interest payable	1,688,842	1,038,270	2,727,112
Due to other governments	3,432,672	2,695	3,435,367
Deposits	950,418	52,904	1,003,322
Other liabilities	336,254	425,435	761,689
Unearned revenue	2,255,588	--	2,255,588
Liabilities payable from restricted assets	--	520,108	520,108
Noncurrent liabilities:			
Due within one year	31,175,563	7,696,871	38,872,434
Due in more than one year, net of bond premium and discount	551,147,002	94,407,811	645,554,813
<b>TOTAL LIABILITIES</b>	<b>605,482,777</b>	<b>105,673,809</b>	<b>711,156,586</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	637,593,225	204,952,767	842,545,992
Restricted for:			
Capital projects	45,365,485	24,416,215	69,781,700
Debt service	55,314,814	--	55,314,814
Streets	933,662	--	933,662
Claims	17,323,551	--	17,323,551
Other purposes	1,250,374	--	1,250,374
Unrestricted (deficit)	(86,888,176)	93,398,336	6,510,160
<b>TOTAL NET ASSETS</b>	<b>\$ 670,892,935</b>	<b>\$ 322,767,318</b>	<b>\$ 993,660,253</b>

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

# CITY OF RENO, NEVADA

## Statement of Activities For the Year Ended June 30, 2009

PRIMARY GOVERNMENT FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 19,248,275	\$ 45,468,935	\$ 252,651	\$ --
Judicial	8,079,846	4,142,341	--	--
Police	59,237,378	2,398,309	1,469,200	--
Fire	51,243,170	16,336,384	484,657	--
Public works	94,265,944	3,178,543	47,021	45,446,173
Planning and community development	11,375,172	97,761	3,909,121	4,729,397
Culture and recreation	21,812,749	4,678,243	204,333	5,000
Urban redevelopment	4,122,270	835,858	--	--
Debt service:				
Interest and fiscal charges	25,547,548	--	--	--
Total Governmental Activities	294,932,352	77,136,374	6,366,983	50,180,570
Business-Type Activities:				
Sanitary sewer	45,214,366	41,383,449	413,600	23,216,960
Golf courses	1,548,215	859,604	--	--
Building permits	6,724,452	3,965,942	--	--
Planning	3,024,012	1,366,191	--	--
Dispatch center	6,588,311	352,625	--	--
Total Business-type Activities	63,099,356	47,927,811	413,600	23,216,960
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 358,031,708</b>	<b>\$ 125,064,185</b>	<b>\$ 6,780,583</b>	<b>\$ 73,397,530</b>

### GENERAL REVENUES

#### Taxes:

- Ad valorem taxes
- Consolidated tax
- SCCR taxes - AB104
- Dedicated sales taxes
- Other taxes

- Unrestricted County gaming contributions
- Unrestricted Investment and interest earnings
- Miscellaneous
- Gain on sale of capital assets
- Transfers

### TOTAL GENERAL REVENUES AND TRANSFERS

### CHANGE IN NET ASSETS

NET ASSETS, BEGINNING OF YEAR,  
AS PREVIOUSLY REPORTED  
PRIOR PERIOD ADJUSTMENT  
NET ASSETS, BEGINNING OF YEAR, AS ADJUSTED

NET ASSETS, ENDING

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

Net (Expenses) Revenues and  
Changes in Net Assets

Governmental Activities	Business- Type Activities	Total
26,473,311	\$ --	\$ 26,473,311
(3,937,505)	--	(3,937,505)
(55,369,869)	--	(55,369,869)
(34,422,129)	--	(34,422,129)
(45,594,207)	--	(45,594,207)
(2,638,893)	--	(2,638,893)
(16,925,173)	--	(16,925,173)
(3,286,412)	--	(3,286,412)
(25,547,548)	--	(25,547,548)
(161,248,425)	--	(161,248,425)
--	19,799,643	19,799,643
--	(688,611)	(688,611)
--	(2,758,510)	(2,758,510)
--	(1,657,821)	(1,657,821)
--	(6,235,686)	(6,235,686)
--	8,459,015	8,459,015
(161,248,425)	8,459,015	(152,789,410)
74,689,217	--	74,689,217
43,552,723	--	43,552,723
2,938,194	--	2,938,194
9,167,714	--	9,167,714
21,896,196	--	21,896,196
1,615,321	--	1,615,321
4,521,600	641,075	5,162,675
849,805	6,036	855,841
605,964	--	605,964
(10,468,575)	10,468,575	--
149,368,159	11,115,686	160,483,845
(11,880,266)	19,574,701	7,694,435
685,039,618	303,690,978	988,730,596
(2,266,417)	(498,361)	(2,764,778)
682,773,201	303,192,617	985,965,818
\$ 670,892,935	\$ 322,767,318	\$ 993,660,253

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

**BASIC FINANCIAL STATEMENTS**  
**Fund Financial Statements**

---



**THIS PAGE INTENTIONALLY LEFT BLANK**

## CITY OF RENO, NEVADA

### Balance Sheet Governmental Funds June 30, 2009

	General Fund	Railroad Debt Fund	Downtown Events Center Debt Fund	Special Assessment Districts Debt Fund
<b>ASSETS</b>				
Cash and investments	\$ 6,338,935	\$ 9,383,852	\$ 1,768,072	\$ 3,021,148
Receivables:				
Accounts	3,813,749	--	--	10,550
Accrued interest	55,405	21,326	15,146	17,663
From other governments	9,278,157	1,201,802	463,099	658
Delinquent taxes	1,199,770	--	--	--
Special assessments:				
Current	--	387,761	108,876	92,629
Delinquent	55,088	--	--	14,132
Deferred	--	11,651,812	6,676,604	3,962,224
Long-term	--	--	--	--
Due from other funds	--	--	--	--
Inventories	580,178	--	--	--
Prepaid items	19,827	--	--	271
Property held for resale	--	--	--	--
Other assets	2,930	--	--	--
<b>TOTAL ASSETS</b>	<b><u>\$ 21,344,039</u></b>	<b><u>\$ 22,646,553</u></b>	<b><u>\$ 9,031,797</u></b>	<b><u>\$ 7,119,275</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,773,376	\$ 18,624	\$ 304,112	\$ 5,168
Accrued salaries and benefits	5,465,179	--	--	--
Contracts and retained percentage payable	3,979	--	--	--
Accrued interest payable	40	--	--	--
Due to other funds	--	--	--	--
Due to other governments	32,262	--	--	410
Deposits	521,866	11,009	--	15,014
Other liabilities	336,254	--	--	--
Deferred taxes	1,199,770	--	--	--
Deferred revenue	1,944,263	11,651,812	6,676,604	3,962,224
<b>TOTAL LIABILITES</b>	<b><u>11,276,989</u></b>	<b><u>11,681,445</u></b>	<b><u>6,980,716</u></b>	<b><u>3,982,816</u></b>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	272,092	--	--	--
Inventories	580,178	--	--	--
Prepaid items	19,827	--	--	271
Property held for resale	--	--	--	--
Technology acquisition	455,670	--	--	--
Capital projects	--	--	--	--
Park capital outlay	--	--	--	--
Future signalization	--	--	--	--
Debt service	--	10,965,108	2,051,081	3,136,188
Court assessments	--	--	--	--
Other purposes	238,872	--	--	--
Unreserved, reported in:				
General fund	8,500,411	--	--	--
Special revenue funds	--	--	--	--
Capital projects funds	--	--	--	--
<b>TOTAL FUND BALANCES</b>	<b><u>10,067,050</u></b>	<b><u>10,965,108</u></b>	<b><u>2,051,081</u></b>	<b><u>3,136,459</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 21,344,039</u></b>	<b><u>\$ 22,646,553</u></b>	<b><u>\$ 9,031,797</u></b>	<b><u>\$ 7,119,275</u></b>

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

Streets Capital Projects Fund	Redevelopment Agency Capital Projects Fund	Other Governmental Funds	Total
\$ 34,827,748	\$ 469,259	\$ 40,019,575	\$ 95,828,589
--	--	377,544	4,201,843
931	967	154,704	266,142
--	--	8,649,470	19,593,186
--	--	651,136	1,850,906
--	--	--	589,266
--	--	--	69,220
--	--	--	22,290,640
--	--	850,791	850,791
10,270,000	--	890,539	11,160,539
--	--	128,657	708,835
--	11,346	12,110	43,554
--	36,227,428	8,540,213	44,767,641
--	--	440,000	442,930
<u>\$ 45,098,679</u>	<u>\$ 36,709,000</u>	<u>\$ 60,714,739</u>	<u>\$ 202,664,082</u>
\$ 204,165	\$ 4,569	\$ 1,811,808	\$ 4,121,822
--	--	506,867	5,972,046
--	--	4,160,176	4,164,155
--	--	680	720
--	--	11,160,539	11,160,539
--	--	3,400,000	3,432,672
--	--	402,529	950,418
--	--	--	336,254
--	--	651,120	1,850,890
--	--	1,308,802	25,543,705
<u>204,165</u>	<u>4,569</u>	<u>23,402,521</u>	<u>57,533,221</u>
--	8	750,233	1,022,333
--	--	128,657	708,835
--	11,346	12,110	43,554
--	36,227,428	8,540,213	44,767,641
--	--	--	455,670
44,894,514	465,649	8,998,027	54,358,190
--	--	5,363,719	5,363,719
--	--	517,161	517,161
--	--	15,746,744	31,899,121
--	--	97,067	97,067
--	--	1,020,343	1,259,215
--	--	--	8,500,411
--	--	1,173,909	1,173,909
--	--	(5,035,965)	(5,035,965)
<u>44,894,514</u>	<u>36,704,431</u>	<u>37,312,218</u>	<u>145,130,861</u>
<u>\$ 45,098,679</u>	<u>\$ 36,709,000</u>	<u>\$ 60,714,739</u>	<u>\$ 202,664,082</u>

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

**CITY OF RENO, NEVADA**

Reconciliation of the Governmental Funds Balance Sheet to  
the Government-Wide Statement of Net Assets - Governmental Activities  
June 30, 2009

TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS AS SHOWN ON THE BALANCE SHEET	\$ 145,130,861
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	1,039,209,850
Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	9,096,896
Long-term liabilities and the related accrued interest payable are not due and payable in the current period and, therefore, are not reported in the governmental funds	(540,403,535)
Deferred revenue represents amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds	25,139,007
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets	<u>(7,280,144)</u>
TOTAL NET ASSETS FOR GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF NET ASSETS	<u>\$ 670,892,935</u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF RENO, NEVADA**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2009

	General Fund	Railroad Debt Service Fund	Downtown Events Center Debt Fund	Special Assessment Districts Debt Fund
<b>REVENUES</b>				
Taxes	\$ 50,632,981	\$ 735,302	\$ 5,077,055	\$ --
Special assessments	1,392,965	508,298	213,892	492,838
Fees, licenses, and permits	35,308,525	--	--	--
Intergovernmental	62,220,783	7,080,474	--	--
Grants and contributions	1,253,603	--	--	--
Charges for services	15,111,270	--	--	--
Fines and forfeitures	4,050,660	45,577	13,803	36,956
Interest	349,310	1,170,631	615,562	346,923
Miscellaneous	2,078,588	38,730	--	15,656
<b>TOTAL REVENUES</b>	<u>172,398,685</u>	<u>9,579,012</u>	<u>5,920,312</u>	<u>892,373</u>
<b>EXPENDITURES</b>				
Current:				
General government	15,651,204	--	--	--
Judicial	6,617,523	--	--	--
Public safety - Police	60,060,538	--	--	--
Public safety - Fire	54,151,668	--	--	--
Public works	13,384,406	--	--	--
Planning and community development	2,513,702	--	--	--
Culture and recreation	--	--	--	--
Urban redevelopment	--	--	--	--
Intergovernmental	3,773,363	--	--	--
Capital outlay	292,337	--	--	--
Debt service:				
Principal	688,057	1,800,000	1,260,000	399,344
Interest	229,700	7,201,666	9,677,577	234,251
Bond issue costs	--	--	482,155	--
Fiscal charges	--	1,023,574	596,579	169,552
<b>TOTAL EXPENDITURES</b>	<u>157,362,498</u>	<u>10,025,240</u>	<u>12,016,311</u>	<u>803,147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,036,187</u>	<u>(446,228)</u>	<u>(6,095,999)</u>	<u>89,226</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	--	--	--	--
Premium on bonds issued	--	--	--	--
Payments to others	--	--	--	--
Sale of capital assets	11,425	--	--	--
Transfers from other funds	9,129,953	--	2,133,023	--
Transfers to other funds	(28,563,604)	--	(164,450)	(120,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(19,422,226)</u>	<u>--</u>	<u>1,968,573</u>	<u>(120,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(4,386,039)</u>	<u>(446,228)</u>	<u>(4,127,426)</u>	<u>(30,774)</u>
FUND BALANCES - BEGINNING OF YEAR	14,913,404	11,391,633	6,158,111	3,157,221
PRIOR PERIOD ADJUSTMENT	(460,315)	19,703	20,396	10,012
FUND BALANCES, BEGINNING, AS RESTATED	<u>14,453,089</u>	<u>11,411,336</u>	<u>6,178,507</u>	<u>3,167,233</u>
FUND BALANCES, ENDING	<u>\$ 10,067,050</u>	<u>\$ 10,965,108</u>	<u>\$ 2,051,081</u>	<u>\$ 3,136,459</u>

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

Streets Capital Projects Fund	Redevelopment		Total
	Agency Capital Projects Fund	Other Governmental Funds	
\$ --	\$ 10,239,094	\$ 25,843,042	\$ 92,527,474
--	--	--	2,607,993
--	--	89,874	35,398,399
--	--	7,416,793	76,718,050
--	--	16,621,740	17,875,343
--	--	4,066,407	19,177,677
--	--	38,143	4,185,139
6,658	67,080	895,653	3,451,817
--	400	7,642,254	9,775,628
<u>6,658</u>	<u>10,306,574</u>	<u>62,613,906</u>	<u>261,717,520</u>
--	--	541,344	16,192,548
--	--	682,110	7,299,633
--	--	--	60,060,538
--	--	--	54,151,668
3,769	--	11,019,717	24,407,892
--	--	8,620,137	11,133,839
--	--	17,246,463	17,246,463
--	272,408	3,561,884	3,834,292
--	--	--	3,773,363
--	--	27,723,359	28,015,696
--	--	7,796,000	11,943,401
--	--	5,098,821	22,442,015
--	--	1,088,402	1,570,557
--	--	112,686	1,902,391
<u>3,769</u>	<u>272,408</u>	<u>83,490,923</u>	<u>263,974,296</u>
<u>2,889</u>	<u>10,034,166</u>	<u>(20,877,017)</u>	<u>(2,256,776)</u>
44,853,350	--	38,036,650	82,890,000
--	--	653,362	653,362
--	--	(30,731,864)	(30,731,864)
--	--	55,500	66,925
--	--	19,550,999	30,813,975
--	--	(13,901,911)	(42,749,965)
<u>44,853,350</u>	<u>--</u>	<u>13,662,736</u>	<u>40,942,433</u>
<u>44,856,239</u>	<u>10,034,166</u>	<u>(7,214,281)</u>	<u>38,685,657</u>
36,130	26,670,265	44,330,722	106,657,486
2,145	--	195,777	(212,282)
<u>38,275</u>	<u>26,670,265</u>	<u>44,526,499</u>	<u>106,445,204</u>
<u>\$ 44,894,514</u>	<u>\$ 36,704,431</u>	<u>\$ 37,312,218</u>	<u>\$ 145,130,861</u>

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

**CITY OF RENO, NEVADA**

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Government-Wide Statement of Activities - Governmental Activities  
For the Year Ended June 30, 2009

NET CHANGE IN FUND BALANCES FOR GOVERNMENTAL FUNDS AS SHOWN ON THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN THE FUND BALANCES	\$ 38,685,657
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(18,467,581)
The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease Net Assets.	(27,924)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Governmental Funds.	36,712,245
The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on Net Assets. Also, Governmental Funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(70,829,004)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(9,352,007)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net (expense) of the internal service funds is reported with Governmental Activities.	<u>11,398,348</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (11,880,266)</u>

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

**CITY OF RENO, NEVADA**

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 49,750,760	\$ 50,038,361	\$ 50,632,981	\$ 594,620
Special assessments	1,490,090	1,445,804	1,392,965	(52,839)
Licenses and permits:				
Business licenses and permits:				
Business licenses	14,731,000	13,426,000	12,633,107	(792,893)
City gaming licenses	2,500,000	2,200,000	2,201,449	1,449
Liquor licenses	1,250,000	1,240,000	1,294,792	54,792
Non-business licenses and permits	75,000	213,291	183,997	(29,294)
Franchises:				
Electricity	6,320,000	6,250,000	6,227,461	(22,539)
Telephone	4,500,000	3,920,000	3,873,036	(46,964)
Natural gas	2,400,000	2,100,000	2,205,186	105,186
Sanitation	2,430,000	2,300,000	2,213,979	(86,021)
Water	1,040,400	1,040,400	959,311	(81,089)
Sewer	1,630,000	1,600,000	1,683,913	83,913
Cable television	2,230,000	1,942,722	1,832,294	(110,428)
Total licenses and permits	<u>39,106,400</u>	<u>36,232,413</u>	<u>35,308,525</u>	<u>(923,888)</u>
Intergovernmental:				
Federal grants	55,537	882,982	1,234,417	351,435
State grants	--	434,447	19,186	(415,261)
State shared revenues	52,500,000	43,600,000	43,552,723	(47,277)
County shared revenues:				
County gaming licenses	2,021,000	1,800,000	1,615,321	(184,679)
AB 104	3,500,000	3,000,000	2,938,194	(61,806)
Fire consolidated payment	14,054,546	14,054,546	14,054,546	--
Other	16,000	59,999	59,999	--
Total intergovernmental	<u>72,147,083</u>	<u>63,831,974</u>	<u>63,474,386</u>	<u>(357,588)</u>
Charges for services:				
General government:				
Administration fees	1,206,000	810,000	724,823	(85,177)
TMWA contract payment	287,038	287,038	287,019	(19)
Indirect cost allocations	9,591,404	9,591,404	9,591,904	500
Other	100	1,000	772	(228)
Judicial:				
Municipal court charges	255,000	205,000	112,312	(92,688)

continued

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

**CITY OF RENO, NEVADA**

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (continued)  
 General Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES</b>				
Charges for services:				
Public safety:				
Police service charges	\$ 460,000	\$ 834,479	\$ 814,202	\$ (20,277)
Work permits	62,000	80,000	47,401	(32,599)
Fire service charges	1,192,000	1,185,000	853,161	(331,839)
Strike team reimbursements	--	1,380,000	1,266,299	(113,701)
Public works:				
Engineering fees	975,000	600,000	597,946	(2,054)
Parking receipts	855,000	832,000	811,893	(20,107)
Other	75,500	15,500	3,538	(11,962)
Total charges for services	<u>14,959,042</u>	<u>15,821,421</u>	<u>15,111,270</u>	<u>(710,151)</u>
Fines and forfeits:				
Municipal court fines	4,141,000	3,810,000	3,340,318	(469,682)
Municipal court forfeitures	172,000	--	--	--
Delinquent license penalties	660,000	800,000	710,342	(89,658)
Total fines and forfeits	<u>4,973,000</u>	<u>4,610,000</u>	<u>4,050,660</u>	<u>(559,340)</u>
Miscellaneous:				
Investment earnings	350,000	300,000	349,310	49,310
Interest earnings, other	236,400	--	--	--
Rent and royalties	--	5,500	5,487	(13)
Reimbursement and restitution	--	865,547	986,086	120,539
Private grants	40,000	378,272	375,383	(2,889)
Other	200,000	1,545,332	711,632	(833,700)
Total miscellaneous	<u>826,400</u>	<u>3,094,651</u>	<u>2,427,898</u>	<u>(666,753)</u>
<b>TOTAL REVENUES</b>	<u>183,252,775</u>	<u>175,074,624</u>	<u>172,398,685</u>	<u>(2,675,939)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
City Council:				
Salaries and wages	433,918	449,250	446,850	2,400
Employee benefits	257,512	278,421	271,097	7,324
Services and supplies	575,251	582,075	514,473	67,602
Subtotal	<u>1,266,681</u>	<u>1,309,746</u>	<u>1,232,420</u>	<u>77,326</u>
City Clerk:				
Salaries and wages	740,020	680,080	672,414	7,666
Employee benefits	277,211	259,374	258,576	798
Services and supplies	557,048	494,006	463,824	30,182
Capital outlay	--	29,419	27,419	2,000
Subtotal	<u>1,574,279</u>	<u>1,462,879</u>	<u>1,422,233</u>	<u>40,646</u>

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

continued

**CITY OF RENO, NEVADA**

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (continued)  
 General Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
City Manager:				
Salaries and wages	\$ 2,831,153	\$ 2,747,886	\$ 2,810,406	\$ (62,520)
Employee benefits	1,173,438	1,106,688	1,092,595	14,093
Services and supplies	1,838,039	1,589,731	1,067,571	522,160
Subtotal	<u>5,842,630</u>	<u>5,444,305</u>	<u>4,970,572</u>	<u>473,733</u>
Finance:				
Salaries and wages	1,605,901	1,583,358	1,542,564	40,794
Employee benefits	719,943	803,815	662,483	141,332
Services and supplies	183,489	219,730	172,637	47,093
Subtotal	<u>2,509,333</u>	<u>2,606,903</u>	<u>2,377,684</u>	<u>229,219</u>
City Attorney:				
Salaries and wages	2,852,597	2,788,485	2,626,675	161,810
Employee benefits	1,176,157	1,086,558	1,047,735	38,823
Services and supplies	388,773	279,319	225,069	54,250
Subtotal	<u>4,417,527</u>	<u>4,154,362</u>	<u>3,899,479</u>	<u>254,883</u>
Human Resources:				
Salaries and wages	993,497	832,152	828,922	3,230
Employee benefits	468,676	414,713	448,760	(34,047)
Services and supplies	177,412	135,858	139,256	(3,398)
Subtotal	<u>1,639,585</u>	<u>1,382,723</u>	<u>1,416,938</u>	<u>(34,215)</u>
Civil Service Commission:				
Salaries and wages	184,147	194,744	193,695	1,049
Employee benefits	84,195	83,909	83,741	168
Services and supplies	102,965	98,633	81,861	16,772
Subtotal	<u>371,307</u>	<u>377,286</u>	<u>359,297</u>	<u>17,989</u>
General government summary:				
Salaries and wages	9,641,233	9,275,955	9,121,526	154,429
Employee benefits	4,157,132	4,033,478	3,864,987	168,491
Services and supplies	3,822,977	3,399,352	2,664,691	734,661
Capital outlay	--	29,419	27,419	2,000
Total General government	<u>17,621,342</u>	<u>16,738,204</u>	<u>15,678,623</u>	<u>1,059,581</u>

continued

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

**CITY OF RENO, NEVADA**

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (continued)  
 General Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Judicial:				
Salaries and wages	\$ 3,896,615	\$ 4,121,365	\$ 4,046,364	\$ 75,001
Employee benefits	1,723,632	1,843,183	1,816,542	26,641
Services and supplies	906,722	870,294	754,617	115,677
Total Judicial	<u>6,526,969</u>	<u>6,834,842</u>	<u>6,617,523</u>	<u>217,319</u>
Public safety:				
Police department:				
Salaries and wages	41,168,837	39,097,096	38,772,009	325,087
Employee benefits	19,347,278	18,030,183	17,744,190	285,993
Services and supplies	2,917,487	4,176,662	3,544,339	632,323
Capital outlay	--	54,500	39,948	14,552
Total Police Department	<u>63,433,602</u>	<u>61,358,441</u>	<u>60,100,486</u>	<u>1,257,955</u>
Fire department:				
Salaries and wages	36,314,504	35,213,112	34,886,613	326,499
Employee benefits	15,860,824	15,343,960	15,202,418	141,542
Services and supplies	3,422,338	4,206,567	4,062,637	143,930
Capital outlay	250,000	214,073	209,988	4,085
Subtotal	<u>55,847,666</u>	<u>54,977,712</u>	<u>54,361,656</u>	<u>616,056</u>
Public safety summary:				
Salaries and wages	77,483,341	74,310,208	73,658,622	651,586
Employee benefits	35,208,102	33,374,143	32,946,608	427,535
Services and supplies	6,339,825	8,383,229	7,606,976	776,253
Capital outlay	250,000	268,573	249,936	18,637
Total public safety	<u>119,281,268</u>	<u>116,336,153</u>	<u>114,462,142</u>	<u>1,874,011</u>
Public works:				
Salaries and wages	5,761,529	5,641,015	5,706,703	(65,688)
Employee benefits	2,464,058	2,267,946	2,411,811	(143,865)
Services and supplies	5,646,424	5,953,683	5,265,892	687,791
Capital Outlay	--	15,000	14,982	18
Total public works	<u>13,872,011</u>	<u>13,877,644</u>	<u>13,399,388</u>	<u>478,256</u>
Planning and community development:				
Salaries and wages	943,136	1,358,900	1,400,232	(41,332)
Employee benefits	391,571	470,988	461,147	9,841
Services and supplies	765,662	676,352	652,323	24,029
Total planning and community development	<u>2,100,369</u>	<u>2,506,240</u>	<u>2,513,702</u>	<u>(7,462)</u>

continued

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

**CITY OF RENO, NEVADA**

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (continued)  
 General Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Intergovernmental:				
Retired Employees Trust	\$ 2,700,000	\$ 3,200,000	\$ 3,475,896	\$ (275,896)
Miscellaneous	1,300,000	265,000	297,467	(32,467)
Total Intergovernmental	<u>4,000,000</u>	<u>3,465,000</u>	<u>3,773,363</u>	<u>(308,363)</u>
<b>DEBT SERVICE</b>				
Principal	565,918	688,057	688,057	--
Interest	<u>183,185</u>	<u>229,700</u>	<u>229,700</u>	<u>--</u>
Total Debt Service	<u>749,103</u>	<u>917,757</u>	<u>917,757</u>	<u>--</u>
<b>TOTAL EXPENDITURES</b>	<u>164,151,062</u>	<u>160,675,840</u>	<u>157,362,498</u>	<u>3,313,342</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>19,101,713</u>	<u>14,398,784</u>	<u>15,036,187</u>	<u>637,403</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	--	7,341	11,425	4,084
Transfers from other funds	4,594,961	9,141,953	9,129,953	(12,000)
Transfers to other funds	<u>(27,248,092)</u>	<u>(28,563,604)</u>	<u>(28,563,604)</u>	<u>--</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(22,653,131)</u>	<u>(19,414,310)</u>	<u>(19,422,226)</u>	<u>(7,916)</u>
<b>NET CHANGES IN FUND BALANCES</b>	(3,551,418)	(5,015,526)	(4,386,039)	629,487
<b>CONTINGENCY</b>	(1,566,400)	(185,934)	--	185,934
<b>FUND BALANCES, BEGINNING</b>	11,151,207	14,913,404	14,913,404	--
<b>PRIOR PERIOD ADJUSTMENT</b>	--	--	(460,315)	(460,315)
<b>FUND BALANCES, BEGINNING, AS RESTATED</b>	<u>11,151,207</u>	<u>14,913,404</u>	<u>14,453,089</u>	<u>(460,315)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 6,033,389</u>	<u>\$ 9,711,944</u>	<u>\$ 10,067,050</u>	<u>\$ 355,106</u>

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

# CITY OF RENO, NEVADA

## Statement of Fund Net Assets Proprietary Funds June 30, 2009

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Sanitary Sewer Fund	Planning Fund	Building Permit Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>						
Current Assets:						
Cash and investments	\$ 1,029,617	\$ 61,891	\$ 45,819	\$ 964,772	\$ 2,102,099	\$ 16,916,250
Receivables:						
Accounts receivable	7,485,835	10,203	--	--	7,496,038	158,272
Accrued interest	5,208	--	--	1,359	6,567	97,157
From other governments	3,329,609	--	--	--	3,329,609	10,243
Inventories	85,771	--	2,851	44,407	133,029	199,251
Prepaid expenses	11,398	--	--	--	11,398	396,367
Restricted assets:						
Cash and investments	20,803,640	--	--	--	20,803,640	--
Accrued interest receivable	104,931	--	--	--	104,931	--
Accounts receivable	11,553	--	--	--	11,553	--
Due from other governments	1,166,199	--	--	--	1,166,199	--
Due from other funds	2,850,000	--	--	--	2,850,000	4,570,000
Total Current Assets	<u>36,883,761</u>	<u>72,094</u>	<u>48,670</u>	<u>1,010,538</u>	<u>38,015,063</u>	<u>22,347,540</u>
Noncurrent Assets:						
Capital assets:						
Land	7,727,157	--	107,317	1,600,000	9,434,474	--
Water rights	1,812,114	--	--	1,125,000	2,937,114	--
Buildings	12,357,401	--	--	1,153,242	13,510,643	--
Improvements other than buildings	298,209,520	--	591,534	7,196,726	305,997,780	--
Machinery and equipment	1,443,034	--	69,700	483,464	1,996,198	26,114,088
Construction in progress	59,323,069	--	--	--	59,323,069	--
Total Capital Assets	<u>380,872,295</u>	<u>--</u>	<u>768,551</u>	<u>11,558,432</u>	<u>393,199,278</u>	<u>26,114,088</u>
Less accumulated depreciation	<u>(83,807,730)</u>	<u>--</u>	<u>(243,509)</u>	<u>(5,607,789)</u>	<u>(89,659,028)</u>	<u>(16,948,884)</u>
Net Capital Assets	297,064,565	--	525,042	5,950,643	303,540,250	9,165,204
Other assets:						
Delinquent accounts receivable	1,123,511	--	--	--	1,123,511	--
Long-term notes receivable	10,309,896	--	--	--	10,309,896	--
Deferred charges	202,096	--	--	57,450	259,546	--
Investment in Truckee Meadows Water Reclamation Facility	87,665,540	--	--	--	87,665,540	--
Total Noncurrent Assets	<u>396,365,608</u>	<u>--</u>	<u>525,042</u>	<u>6,008,093</u>	<u>402,898,743</u>	<u>9,165,204</u>
<b>TOTAL ASSETS</b>	<u>433,249,369</u>	<u>72,094</u>	<u>573,712</u>	<u>7,018,631</u>	<u>440,913,806</u>	<u>31,512,744</u>

continued

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

**CITY OF RENO, NEVADA**

Statement of Fund Net Assets (continued)  
 Proprietary Funds  
 June 30, 2009

	Business-Type Activities - Enterprise Funds					Governmental
	Sanitary Sewer Fund	Planning Fund	Building Permit Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts payable	\$ 151,716	\$ 6,164	\$ 4,142	\$ 43,091	\$ 205,113	\$ 112,557
Accrued salaries and benefits	208,901	31,321	93,401	186,835	520,458	125,858
Contracts and retained percentage payable	804,144	--	--	--	804,144	--
Accrued interest payable	1,038,270	--	--	--	1,038,270	--
Compensated absences payable	571,391	151,381	312,505	501,718	1,536,995	313,038
Due to other funds	--	2,100,000	750,000	--	2,850,000	4,570,000
Due to other governments	--	2,695	--	--	2,695	--
Deposits	42,158	--	--	10,746	52,904	--
Other liabilities	425,435	--	--	--	425,435	--
Bonds and notes payable	5,959,876	--	--	200,000	6,159,876	--
Liability for self-insurance	--	--	--	--	--	5,281,290
Total Current Liabilities (payable from current assets)	<u>9,201,891</u>	<u>2,291,561</u>	<u>1,160,048</u>	<u>942,390</u>	<u>13,595,890</u>	<u>10,402,743</u>
Current liabilities (payable from restricted assets):						
Accounts payable	13,052	--	--	--	13,052	--
Contracts and retained percentage payable	506,858	--	--	--	506,858	--
Accrued interest payable	198	--	--	--	198	--
Total Current Liabilities (payable from restricted assets)	<u>520,108</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>520,108</u>	<u>--</u>
Total Current Liabilities	<u>9,721,999</u>	<u>2,291,561</u>	<u>1,160,048</u>	<u>942,390</u>	<u>14,115,998</u>	<u>10,402,743</u>
Noncurrent Liabilities:						
Compensated absences payable	78,778	--	336,611	90,859	506,248	24,915
Other post-employment benefits liability	540,648	100,570	361,366	471,372	1,473,956	318,977
Bonds and notes payable	90,162,234	--	--	2,265,373	92,427,607	--
Liability for self-insurance	--	--	--	--	--	37,668,932
Total Noncurrent Liabilities	<u>90,781,660</u>	<u>100,570</u>	<u>697,977</u>	<u>2,827,604</u>	<u>94,407,811</u>	<u>38,012,824</u>
<b>TOTAL LIABILITIES</b>	<u>100,503,659</u>	<u>2,392,131</u>	<u>1,858,025</u>	<u>3,769,994</u>	<u>108,523,809</u>	<u>48,415,567</u>
<b>NET ASSETS</b>						
Invested in capital, net of related debt	200,942,455	--	525,042	3,485,270	204,952,767	9,165,204
Restricted for:						
Capital projects	24,416,215	--	--	--	24,416,215	--
Claims	--	--	--	--	--	17,323,551
Unrestricted (deficit)	<u>107,387,040</u>	<u>(2,320,037)</u>	<u>(1,809,355)</u>	<u>(236,633)</u>	<u>103,021,015</u>	<u>(43,391,578)</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 332,745,710</u>	<u>\$ (2,320,037)</u>	<u>\$ (1,284,313)</u>	<u>\$ 3,248,637</u>	<u>332,389,997</u>	<u>\$ (16,902,823)</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds					(9,622,679)	
Net assets of business-type activities (page 21)					<u>\$322,767,318</u>	

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

**CITY OF RENO, NEVADA**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2009**

	Business-Type Activities - Enterprise Funds					Governmental
	Sanitary		Building	Nonmajor	Total	Activities
	Sewer Fund	Planning Fund	Permit Fund	Enterprise Funds	Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for services	\$ 39,094,527	\$ 1,366,191	\$ 3,962,992	\$ 1,199,529	\$ 45,623,239	\$ 23,644,213
Licenses and permits	253,535	--	--	--	253,535	--
Fines and forfeitures	1,829,009	--	--	--	1,829,009	--
Miscellaneous	227,322	3,212	2,950	12,905	246,389	845,618
<b>TOTAL OPERATING REVENUES</b>	<b>41,404,393</b>	<b>1,369,403</b>	<b>3,965,942</b>	<b>1,212,434</b>	<b>47,952,172</b>	<b>24,489,831</b>
<b>OPERATING EXPENSES</b>						
Salaries and wages	5,140,227	1,046,450	3,501,261	4,620,863	14,308,801	3,195,413
Employee benefits	2,385,703	537,943	1,545,122	1,866,346	6,335,114	1,452,554
Services and supplies	9,792,262	1,317,863	1,226,065	990,295	13,326,485	10,450,539
Joint Sewer plant	12,366,376	--	--	--	12,366,376	--
Depreciation	7,795,584	--	39,988	270,565	8,106,137	2,738,671
<b>TOTAL OPERATING EXPENSES</b>	<b>37,480,152</b>	<b>2,902,256</b>	<b>6,312,436</b>	<b>7,748,069</b>	<b>54,442,913</b>	<b>17,837,177</b>
<b>OPERATING INCOME (LOSS)</b>	<b>3,924,241</b>	<b>(1,532,853)</b>	<b>(2,346,494)</b>	<b>(6,535,635)</b>	<b>(6,490,741)</b>	<b>6,652,654</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Private grants	403,250	--	--	--	403,250	--
Federal grants	2,219,939	--	--	--	2,219,939	--
Investment earnings	637,039	--	--	4,036	641,075	637,483
Debt service - interest	(2,579,804)	--	--	(93,419)	(2,673,223)	--
Debt service - fiscal charges	(9,653)	--	--	(5,166)	(14,819)	--
Gain (loss) on asset disposal	(124,987)	--	--	--	(124,987)	129,292
Net loss from Truckee Meadows Water Reclamation Facility	(4,134,731)	--	--	--	(4,134,731)	--
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(3,588,947)</b>	<b>--</b>	<b>--</b>	<b>(94,549)</b>	<b>(3,683,496)</b>	<b>766,775</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>335,294</b>	<b>(1,532,853)</b>	<b>(2,346,494)</b>	<b>(6,630,184)</b>	<b>(10,174,237)</b>	<b>7,419,429</b>
<b>CAPITAL CONTRIBUTIONS</b>						
Connection charges	1,940,344	--	--	--	1,940,344	--
Contribution of assets	19,658,793	--	--	--	19,658,793	192,728
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>21,599,137</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>21,599,137</b>	<b>192,728</b>
<b>TRANSFERS</b>						
Transfers in	--	2,246,261	1,623,774	6,657,293	10,527,328	4,082,428
Transfers out	(525,532)	--	--	--	(525,532)	(2,148,234)
<b>TOTAL TRANSFERS IN (OUT)</b>	<b>(525,532)</b>	<b>2,246,261</b>	<b>1,623,774</b>	<b>6,657,293</b>	<b>10,001,796</b>	<b>1,934,194</b>
<b>CHANGES IN NET ASSETS</b>	<b>21,408,899</b>	<b>713,408</b>	<b>(722,720)</b>	<b>27,109</b>	<b>21,426,696</b>	<b>9,546,351</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>311,838,145</b>	<b>(3,033,445)</b>	<b>(562,272)</b>	<b>3,219,234</b>		<b>(26,429,888)</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>(501,334)</b>	<b>--</b>	<b>679</b>	<b>2,294</b>		<b>(19,286)</b>
<b>NET ASSETS, BEGINNING, AS RESTATED</b>	<b>311,336,811</b>	<b>(3,033,445)</b>	<b>(561,593)</b>	<b>3,221,528</b>		<b>(26,449,174)</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 332,745,710</b>	<b>\$ (2,320,037)</b>	<b>\$ (1,284,313)</b>	<b>\$ 3,248,637</b>		<b>\$ (16,902,823)</b>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds					(1,851,995)	
Change in net assets of business-type activities (page 23)					\$ 19,574,701	

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

# CITY OF RENO, NEVADA

## Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds					Governmental
	Sanitary	Planning	Building	Nonmajor	Total	Internal
	Sewer Fund		Permit Fund	Enterprise Funds	Enterprise Funds	Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 39,531,790	1,355,988	\$ 3,965,337	\$ 1,226,468	\$ 46,079,583	\$ --
Cash received from other funds for services	25,420	--	--	--	25,420	24,796,848
Cash received from miscellaneous income, reimbursements and restitutions	227,322	3,212	605	12,906	244,045	791,823
Cash paid for employee's salaries and benefits	(6,343,111)	(1,380,355)	(4,314,043)	(5,529,627)	(17,567,136)	(3,861,585)
Cash payments to suppliers for goods and services	(23,930,495)	(62,506)	(208,379)	(498,857)	(24,700,237)	(25,686,722)
Cash paid to other funds for motor vehicle rentals, liability and medical insurance, and indirect costs	(3,053,467)	(1,396,207)	(1,479,838)	(1,123,893)	(7,053,405)	(1,792,996)
Cash paid to deferred compensation plans	(194,455)	(41,731)	(109,256)	(104,737)	(450,179)	(104,943)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>6,263,004</b>	<b>(1,521,599)</b>	<b>(2,145,574)</b>	<b>(6,017,740)</b>	<b>(3,421,909)</b>	<b>(5,857,575)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Temporary loans received from other funds	--	--	550,000	--	550,000	1,970,000
Temporary loans extended to other funds	(2,850,000)	(737,745)	--	(35,000)	(3,622,745)	(1,970,000)
Cash received from private grants	403,250	--	--	--	403,250	--
Cash received from federal grants	475,474	--	--	--	475,474	--
Transfers in	--	2,246,261	1,623,774	6,657,293	10,527,328	4,082,428
Transfers out	(525,532)	--	--	--	(525,532)	(2,148,234)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(2,496,808)</b>	<b>1,508,516</b>	<b>2,173,774</b>	<b>6,622,293</b>	<b>7,807,775</b>	<b>1,934,194</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Cash received from connection charges	1,940,344	--	--	--	1,940,344	--
Investment in Truckee Meadows Water Reclamation Facility	(334,406)	--	--	--	(334,406)	--
Proceeds from sale of capital assets	--	--	--	--	--	129,292
Payments to dispose of capital assets	(124,987)	--	--	--	(124,987)	--
Acquisition and construction of capital assets	(14,424,299)	--	--	--	(14,424,299)	(1,094,432)
Payments on bonds payable	(5,849,203)	--	--	(200,000)	(6,049,203)	--
Interest and fiscal charges paid on debt	(2,647,373)	--	--	(84,081)	(2,731,454)	--
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(21,439,924)</b>	<b>--</b>	<b>--</b>	<b>(284,081)</b>	<b>(21,724,005)</b>	<b>(965,140)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment earnings received	705,105	--	1,713	8,461	715,279	629,192
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(16,968,623)</b>	<b>(13,083)</b>	<b>29,913</b>	<b>328,933</b>	<b>(16,622,860)</b>	<b>(4,259,329)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>38,801,880</b>	<b>74,974</b>	<b>15,906</b>	<b>635,839</b>	<b>39,528,599</b>	<b>21,175,579</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>\$ 21,833,257</b>	<b>\$ 61,891</b>	<b>\$ 45,819</b>	<b>\$ 964,772</b>	<b>\$ 22,905,739</b>	<b>\$ 16,916,250</b>

continued

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

# CITY OF RENO, NEVADA

## Statement of Cash Flows (continued) Proprietary Funds For the Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds					Governmental
	Sanitary		Building	Nonmajor	Total	Internal
	Sewer Fund	Planning Fund	Permit Fund	Enterprise Funds	Enterprise Funds	Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 3,924,241	\$ (1,532,853)	\$ (2,346,494)	\$ (6,535,635)	\$ (6,490,741)	\$ 6,652,654
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation	7,795,584	--	39,988	270,565	8,106,137	2,738,671
Changes in assets and liabilities:						
(Increases) decrease:						
Accounts receivable	(385,907)	(10,203)	--	--	(396,110)	1,045,508
Deferred charges	9,653	--	--	--	9,653	--
Due from other governments	(1,249,389)	--	--	27,747	(1,221,642)	53,332
Inventories	28,936	--	6,991	(188)	35,739	(17,532)
Prepaid expenses	(11,398)	--	--	--	(11,398)	80,153
Increase (decrease):						
Accounts payable	(346,491)	926	(13,439)	(31,905)	(390,909)	(112,983)
Deposits	(20,496)	--	--	--	(20,496)	--
Accrued salaries and benefits	261,939	39,421	122,456	35,672	459,488	156,110
Compensated absences payable	(54,119)	(2,030)	44,924	216,813	205,588	29,710
Contracts and retained percentage payable	(3,725,480)	--	--	--	(3,725,480)	--
Accrued liabilities	35,931	(16,860)	--	(809)	18,262	(16,483,198)
Total adjustments	2,338,763	11,254	200,920	517,895	3,068,832	(12,510,229)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 6,263,004</b>	<b>\$ (1,521,599)</b>	<b>\$ (2,145,574)</b>	<b>\$ (6,017,740)</b>	<b>\$ (3,421,909)</b>	<b>\$ (5,857,575)</b>
<b>NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital contributions:						
Contribution of assets	\$ 19,658,793	\$ --	\$ --	\$ --	\$ 19,658,793	\$ 192,728

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

**CITY OF RENO, NEVADA**

Statement of Fiduciary Net Assets  
Agency Funds  
June 30, 2009

ASSETS	
Cash and investments	\$ 8,040,445
Accounts receivable	44,407
Accrued interest receivable	38,879
Special assessments:	
Current	403,845
Delinquent	17,229
TOTAL ASSETS	<u>\$ 8,544,805</u>
LIABILITIES	
Accounts payable	\$ 29,880
Accrued liabilities	64,841
Deposits	1,905,257
Due to other governments	50
Due to others	6,544,777
TOTAL LIABILITIES	<u>\$ 8,544,805</u>

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

**BASIC FINANCIAL STATEMENTS**  
**Notes to the Financial Statements**

---



# CITY OF RENO, NEVADA

## Notes to Financial Statements June 30, 2009

### Note 1: **Summary of Significant Accounting Policies**

The financial statements of the City of Reno, Nevada (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the more significant accounting policies consistently applied in the preparation of the accompanying basic financial statements follows.

#### Reporting Entity

The City of Reno, Nevada was incorporated on March 16, 1903. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police, fire and building inspection), streets, culture and recreation, public improvements, planning and zoning, wastewater treatment and general administrative services.

As required by GAAP, these financial statements present the City of Reno and its component unit, the Redevelopment Agency of the City of Reno. The criteria used to include a component unit with the primary government’s financial statements is one of “financial responsibility”. The Redevelopment Agency of the City of Reno (RACOR) is included in the City’s reporting entity because of the significance of its operational and financial relationship with the City. RACOR is dependent upon the City through taxing authority. RACOR is governed by a separate board, which is comprised of the members of the City Council. RACOR’s financial information is presented in a blended format and is included in the financial statements of the City. Separate financial statements of the Redevelopment Agency of the City of Reno are filed at the City Clerk’s office. Following GAAP, the General Fund of RACOR is reclassified as a Special Revenue Fund when the component unit is included within the City’s financial reporting entity. Other RACOR funds included within these financial statements include the Redevelopment Agency Extraordinary Maintenance Capital Projects Fund, the Redevelopment Agency Capital Projects Fund, and the Redevelopment Agency Debt Service Fund.

# CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. Eliminations have been made to minimize the double-counting of internal activities. Services provided by the General Fund to other funds are reported as expenditures or expenses, as appropriate, in the funds receiving the services and as reductions of expenditures in the General Fund.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are associated with a specific function or business-type activity. In addition to direct expenses, the functional expense amounts reported on the Statement of Activities include indirect expenses allocated to each function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants, contributions and interest income that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. Interfund services provided and used are not eliminated in the process of consolidation.

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services and operating expenses, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings and nonoperating expenses result from nonexchange transactions or ancillary activities.

# CITY OF RENO, NEVADA

## Notes to Financial Statements June 30, 2009

### Note 1: **Summary of Significant Accounting Policies** (continued)

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus*, and the *accrual basis of accounting*, as are the proprietary fund financial statements. Fiduciary funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

All applicable pronouncements, including FASB Statements and Interpretations, APB Opinions and ARBs issued prior to November 30, 1989, except for those that conflict with or contradict GASB pronouncements have been applied in the preparation of these financial statements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a *current financial resources measurement focus*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for special assessment revenues and all other revenues except for ad valorem taxes. The City considers ad valorem taxes as available if they are collected within 30 days after year-end. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt, which are recorded as fund liabilities when due.

The following primary sources of revenues are considered susceptible to accrual under the modified accrual basis of accounting:

- Ad valorem taxes
- State shared revenues
- County shared revenue

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

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

Sales taxes are considered “available” when in the hands of the intermediary collecting government and are recognized as revenue at that time. Licenses and permits, fines and forfeitures and charges for services are the primary revenue sources not susceptible to accrual because they are generally not measurable until received in cash.

The City reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise in governmental fund types when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenues is removed from the governmental funds balance sheet and revenue is recognized.

The City reports the following major governmental funds:

The **General Fund** is used to account for resources traditionally associated with the City that are not required legally or by sound financial management to be accounted for in another fund.

The **Railroad Debt Service Fund** is used to accumulate monies for payment of bonds issued for the purpose of constructing and expanding railroad grade projects in the City.

The **Downtown Events Center Debt Fund** is used to accumulate monies for payment of bonds issued for the purpose of the acquisition and construction of the Downtown Events Center.

The **Special Assessment Districts Debt Fund** is used to accumulate monies for payment of special assessments bonds of the City.

The **Streets Capital Projects Fund** is used to account for street capital improvement projects. Resources are provided by street project impact fees.

The **Redevelopment Agency Capital Projects Fund** is used to account for expenses related to the construction of the Triple A Ballpark and the Fire Station Relocation projects.

## CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

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

The City reports the following major enterprise funds:

The **Sanitary Sewer Fund** is used to account for sewer services provided to the residents of Reno and some residents of Washoe County and to account for connection fee revenues restricted for capital expenditures and the related projects.

The **Building Permit Fund** is used to account for the operations directly or indirectly related to the building permit process, including zoning and plan review, development engineering, plan check, inspections, and related services.

The **Planning Fund** is used to account for activities involved in promoting the health, safety and welfare of the community by preparing, implementing, reviewing and inspecting health plans and construction projects for the physical development of the City and for conformance to applicable codes and ordinances.

Additionally, the City reports the following fund types:

**Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other governmental units on a cost-reimbursement basis. The City uses internal service funds to account for its vehicle operations and self-insurance programs.

**Agency Funds** are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the City holds for others in an agency capacity, including collections for the payment of debt for special assessment districts that are the obligation of developers, as well as to account for refundable performance deposits and cash bonds.

### Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. This is in accordance with Nevada Revised Statutes and the City of Reno Charter. The operating budget includes proposed expenditures/expenses and the means of financing them. Appropriations are required to be detailed by object (salaries and wages, employee benefits, services and supplies, or capital outlay) within a department, within a function, within a fund.

## CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

### Budgets and Budgetary Accounting (continued)

2. Public hearings are conducted prior to the adoption of the budget to obtain taxpayer comment.
3. On or before June 1, the budget is legally adopted by a majority vote of the City Council members.
4. The City Manager is authorized under Nevada law to amend the budget by transferring appropriations within a function or program. Transfers between any function or program within a fund or transfers of appropriations between funds and the contingency account, may be authorized subject to subsequent approval by the City Council. Revisions that alter the total appropriations of a function or fund (augmentations) must be approved in advance by the City Council in the form of a resolution. If the fund being augmented receives property tax revenue, notice is published in the local newspaper three working days in advance of the public meeting. The budgets were augmented during the year in accordance with these procedures.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds and Internal Service Funds. Such funds have legally adopted annual budgets which lapse at year-end.
6. Budgeted appropriations may not be exceeded by actual expenditures of the various functions in the General Fund, Special Revenue Funds and Capital Projects Funds, and by operating and non-operating expenses in the proprietary fund types. Fund equity in the proprietary fund types may not be a deficit.
7. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

### Cash, Cash Equivalents and Investments

The City maintains a cash and investment pool that is available for use by all funds. Monies that are not required for immediate obligations are invested.

Cash and cash equivalents includes currency on hand, demand deposits with banks, and proprietary funds' equity in the investment pool, as their balances are available on demand.

# CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

Cash, Cash Equivalents and Investments (continued)

Investments are reported at fair value. The fair values of investments are obtained by using quotations obtained from independent published sources.

Restricted cash and cash equivalents are monies that are restricted by legal or contractual requirements.

Accrued Interest Receivable

Interest on investments is recorded as revenue in the year the interest is earned.

Inventories

Inventories in the governmental funds are valued at cost, which approximates market, using the first-in/first-out method. Inventories of proprietary funds are valued at the lower of cost (first-in, first-out method) or market. In all funds, inventories are recorded as expenditures/expenses when consumed. Reported inventories in the governmental funds, which consist primarily of supplies and materials for resale, are equally offset by a fund balance reserve which indicates that they do not constitute “available spendable resources” even though they are a component of total assets.

Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. All such balances within the governmental activities or business-type activities are eliminated in the government-wide statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as “internal balances.”

Restricted Assets

The ordinance levying a connection fee for tapping into the City’s sewer lines restricts all monies received as such for the construction of and improvements to the sewer plant and sewer line system. Accordingly, a portion of the assets in the Sanitary Sewer Enterprise Fund have been restricted for that purpose.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as those assets with an initial cost of \$10,000 or more and an estimated useful life of more than one

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

Capital Assets (continued)

year. All purchased capital assets are valued at cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded at cost including capitalized interest incurred during the construction phase on debt-financed projects. Depreciation is computed using the straight-line method for all assets over the following estimated useful lives:

<u>Assets</u>	<u>Life</u>
Buildings, building components and building services	10 to 50 years
Improvements other than buildings	10 to 30 years
Equipment and motor vehicles	3 to 20 years
Infrastructure	10 to 60 years

The City's depressed railroad trench is the sole exception to this policy, with an estimated useful life of 100 years.

Compensated Absences

Unused vested vacation leave may be accumulated and is paid at the time of termination from City employment. Accumulated sick leave benefits are payable to terminated employees who have accumulated a set number of hours up to a specified maximum, depending on the particular employee association. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund statements. The City classifies the current year's usage increased by 2.5% as its current liability for compensated absences and the remaining portion as noncurrent.

Allowance for Uncollectible Receivables

The City has not established an allowance for uncollectible receivables since prior experience has shown that uncollectible receivables are not material in amount. An allowance has not been established for uncollectible delinquent accounts of the Sanitary Sewer Enterprise Fund because the accounts are secured by a lien on real property.

Prepaid Items

Payments made for services that will benefit future accounting periods are recorded as prepaid items. In the governmental fund types, there is a reservation of fund balance equal to the amount of prepaid items, since these amounts are not available for appropriation.

# CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

## Long-Term Liabilities

General obligation and tax allocation bonds and notes payable are recognized as a liability of the Debt Service Funds when due. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

In the government-wide and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related bond.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of bonds issued is reported as other financing sources, as are bond premiums. Bond discounts are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

## Fund Equity

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. **Invested in Capital Assets, Net of Related Debt** – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted Net Assets** – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Assets** – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The City first utilizes restricted resources to finance qualifying activities, then unrestricted resources, as needed.

CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 1: **Summary of Significant Accounting Policies** (continued)

Fund Equity (continued)

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reservations of fund balance consist of amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Proprietary fund equity is classified the same as in the government-wide statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: **Reconciliation of Government-wide and Fund Financial Statements**

A. **Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between *total fund balances – governmental funds* and *total net assets of governmental activities*. One element of that reconciliation explains that long-term liabilities and the related accrued interest payable are not due and payable in the current period and, therefore, are not reported in the funds. The details of the difference are as follows:

Bonds payable, net of bond premium and discount	\$ (517,676,688)
Bond premiums (discounts outstanding)	(596,707)
Notes payable	(10,176,277)
Deferred loss on refunding transactions	36,674,982
Less: Current year amortization	(1,346,925)
Net OPEB obligation	(18,086,644)
Accrued interest payable	(1,688,122)
Compensated absences	(27,507,154)
Net Difference in Reporting Long-Term Liabilities	<u>\$ (540,403,535)</u>

Another element of that reconciliation states that other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Bond costs, deferred charges	\$ 9,500,438
Less: Current year amortization	(403,542)
Net Difference in Reporting Other Assets	<u>\$ 9,096,896</u>

CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 2: **Reconciliation of Government-Wide and Fund Financial Statements** (continued)

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 25,131,655
Depreciation expense	(43,599,236)
Net Difference in Reporting Capital Asset Activity	<u>\$ (18,467,581)</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *Net change in fund balances – governmental funds* and *change in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report the proceeds from the sale of assets as other financing sources. However, in the statement of activities only the gain or loss on the sale is recorded.” The details of this difference are as follows:

Loss on sales of assets reclassified to expenditures	\$ (27,924)
Net Difference in Reporting Transactions Involving Capital Asset Sales/Disposition	<u>\$ (27,924)</u>

Another element of that reconciliation states that “Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the fund statement.” The details of this difference are as follows:

Deferred revenue	685,887
Donations of capital assets	36,026,358
Net Difference in Reporting Revenues	<u>\$ 36,712,245</u>

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 2: **Reconciliation of Government-Wide and Fund Financial Statements** (continued)

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities** (continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Debt issued or incurred:	
General obligation bonds and refunding bonds issued	\$ (82,890,000)
Less net bond premium (plus net discounts)	(653,362)
Plus bond issuance costs	1,570,557
Accrued interest	313,719
Amortization of bond premium (discount)	233,606
Amortization of deferred gain (loss) on refunding	(1,346,925)
Principal repayments:	
General obligation debt	10,604,344
Notes payable and capital leases	<u>1,339,057</u>
Net Difference in Reporting Long-Term Debt Transactions	<u><u>\$ (70,829,004)</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 2: **Reconciliation of Government-Wide and Fund Financial Statements** (continued)

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities** (continued)

Amortization of current year bond costs	\$ (403,542)
Net OPEB obligation liability	(8,239,923)
Compensated absences change	(708,542)
Net Difference in Reporting Other Long-Term Transactions	\$ (9,352,007)

Note 3: **Cash and Investments**

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2009:

*Pooled Cash and Investments:*

Cash on hand	\$ 119,828
Cash in bank	11,072,407
Certificates of deposit	4,180,000
Investments	111,209,215
Total pooled cash and investments	126,581,450

*Non-Pooled Cash and Investments*

Petty cash	\$ 22,750
Cash in bank	297,484
Certificates of deposit	12,597
Investments	16,776,742
Total non-pooled cash and investments	17,109,573

Total cash and investments	\$ 143,691,023
----------------------------	----------------

Total cash and investments at June 30, 2009 were presented on the City's financial statements as follows:

Governmental activities	\$ 112,744,839
Business-type activities	22,905,739
Fiduciary funds	8,040,445
Total cash and investments	\$ 143,691,023

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 3: **Cash and Investments** (continued)

State statutes govern the City’s deposit policies. City monies must be deposited in insured banks, credit unions, and savings and loan associations. The City is authorized to use demand accounts, time accounts and certificates of deposit. The fair value of investments other than investments with the Local Government Investment Pool is obtained from the City’s safekeeping agent.

The City of Reno is a participant in the State of Nevada’s Pooled Collateral Program. The program was created during the 2003 legislative session to monitor collateral maintained by depositories for local government agency deposits. Centralized processing and management of all pledging and maintenance of collateral is through the State Treasurer’s Office rather than with each local agency. There are single collateral pledge agreements with the State Treasurer and financial institutions. This program eliminates the need for the City to establish separate custodial agreements with each financial institution to hold collateral.

The following table identifies the investment types, maximum maturity, portfolio concentration limits, and minimum credit ratings authorized for the City of Reno by NRS 355.170:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>	<u>Minimum Rating S &amp; P</u>	<u>Moody</u>
Banker’s Acceptances	180	20%	None	A-1	P-1
Commercial Paper	270 days	20%	None	A-1	P-1
Money Market Mutual Funds	None	None	None	AAA	Aaa
Negotiable Certificates of Deposit	None	None	None	n/a	n/a
Collateralized Nonnegotiable Certificates of Deposit	None	None	None	n/a	n/a
Negotiable notes/medium-term obligations of local governments of the State of Nevada	None	None	None	n/a	n/a
Repurchase Agreements	90 days	None	None	n/a	n/a
U.S. Treasury Obligations	10 years	None	None	n/a	n/a
U.S. Agency Securities:					
Federal National Mortgage	10 years	None	None	n/a	n/a
Federal Agricultural Mortgage Corporation	10 years	None	None	n/a	n/a
Federal Farm Credit Bank	10 years	None	None	n/a	n/a
Federal Home Loan Bank	10 years	None	None	n/a	n/a
Federal Home Loan Mortgage Corporation	10 years	None	None	n/a	n/a
Government National Mortgage Association	10 years	None	None	n/a	n/a
Local Government Investment Pool	None	None	None	n/a	n/a

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 3: **Cash and Investments** (continued)

At June 30, 2009, the City had the following investments:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Par</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
<b>Pooled Investments</b>						
U.S. Treasury Note - 912828KX7	1.88%	6/15/2012	\$ 10,000,000	\$ 10,050,000	\$ 10,086,563	2.96
Federal Farm Credit Banks	2.13% - 4.00%	4/15/11 - 9/17/12	40,000,000	40,133,500	40,592,305	2.33
State of Nevada Local Government Investment Pool	Variable	On Demand	n/a	3,607,327	3,608,697	--
Repurchase Agreements	Variable	7/1/2009	n/a	56,921,650	56,921,650	--
<b>Total Pooled Investments</b>				<u>110,712,477</u>	<u>111,209,215</u>	<u>1.12</u>
<b>Non-Pooled Investments</b>						
Money Market Accounts	Variable	On Demand	n/a	16,776,742	16,776,742	--
<b>Total Non-Pooled Investments</b>				<u>16,776,742</u>	<u>16,776,742</u>	<u>--</u>
<b>Total Investments</b>					<u>\$ 127,985,957</u>	

The Local Government Investment Pool is an external investment pool administered by the Treasurer of the State of Nevada, with oversight provided by the Board of Finance. The fair value of the City's position in the pool is the same as the value of the pool shares.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. This risk can be reduced by diversifying the durations of the fixed-income investments that are held at a given time. The City manages its exposure to declines in fair values by limiting its weighted average maturity of its investment portfolio to three years or less in accordance with its investment policy.

**Credit Risk**

State law sets forth the types of investments, as shown on page 58, authorized by local governments. The City's investment policy does not further restrict these investments.

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of their respective pool at June 30, 2009.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 3: **Cash and Investments** (continued)

Credit Risk (continued)

	<b>S&amp;P</b>	<b>Moody's</b>	<b>% of Portfolio</b>
<b>Pooled Investments</b>			
U.S. Agency Obligations	AAA	Aaa	36.50%
U.S. Treasury Note	AAA	Aaa	9.07%
Repurchase Agreement	Unrated	Unrated	51.19%
State of Nevada Local Government Investment Pool	Unrated	Unrated	3.24%
<b>Total Pooled Investments</b>			<b>100.00%</b>
	<b>S&amp;P</b>	<b>Moody's</b>	<b>% of Portfolio</b>
<b>Non-Pooled Investments</b>			
Money Market accounts	Unrated	Unrated	100.00%
<b>Total Non-Pooled Investments</b>			<b>100.00%</b>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law helps protect against this potential loss by setting limits on the maximum percentage of the investment pool that can be invested in a single issuer.

GASB Statement No. 40 requires any single issuers that do not meet certain criteria to be disclosed as concentrations of credit risk. As of the year ended June 30, 2009, more than 5% of the City's pooled investments were invested in the following issuers:

Federal Farm Credit Banks	36.50%
---------------------------	--------

Note 4: **Property Tax**

Washoe County is responsible for the assessment, collection and subsequent distribution to the City of property taxes. Property taxes are billed in July of each year. They are due in installments by the third Monday in August and the first Mondays in October, January and March.

## CITY OF RENO, NEVADA

### Notes to Financial Statements June 30, 2009

Note 4: **Property Tax** (continued)

In the event of delinquent payments, the County Treasurer must assess a 4% penalty on the first installment, a 7% penalty on two installments, 11% on three installments and a 16% penalty if all four installments are delinquent. In the event of nonpayment, the County will file a lien against the property on the first Monday in June.

If delinquent taxes and penalties are not paid after two years from the date of the lien, the County Treasurer will obtain a deed to the property and may sell the property to satisfy the lien.

The 1979 Nevada Legislature enacted provisions requiring the combined overlapping tax rate be limited to \$3.64 per \$100 of assessed valuation except in the case of severe financial emergencies as defined in NRS 354.705. During the 2003 legislative session, the legislature exempted 2 cents of the State's property tax rate from this limit.

The 1981 Legislature enacted "tax shift" legislation designed to further reduce the level of property taxes collected throughout the state. The overall sales tax increased from 3.50% to 5.75%; the additional revenue is being distributed to local governmental units in order to reduce the revenues they would otherwise be required to generate from property taxes for operating purchases. Such additional revenue is distributed as a component of the consolidated tax.

In 2005 the Nevada State Legislature passed a bill to cap residential property tax revenue growth at 3% and commercial property growth at ten-year rolling average or 8%, whichever is less. Revenues resulting from new growth are excluded from the cap in the first year.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 5: **Capital Assets**

Capital Asset activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008 as Restated	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2009
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 143,260,745	\$ 4,366,336	\$ (21,408)	\$ --	\$ 147,605,673
Construction in progress	69,522,218	14,807,828	--	(52,634,125)	31,695,921
Total capital assets, not being depreciated	<u>212,782,963</u>	<u>19,174,164</u>	<u>(21,408)</u>	<u>(52,634,125)</u>	<u>179,301,594</u>
Capital assets, being depreciated:					
Buildings	175,086,015	2,524,065	(289,679)	38,389,936	215,710,337
Art and historical treasures	2,245,784	--	(19,071)	57,000	2,283,713
Improvements other than buildings	292,880,127	2,689,714	--	1,510,861	297,080,702
Equipment and motor vehicles	48,257,466	2,356,792	(1,599,452)	124,987	49,139,793
Infrastructure	789,775,562	35,659,552	--	12,676,328	838,111,442
Total capital assets, being depreciated	<u>1,308,244,954</u>	<u>43,230,123</u>	<u>(1,908,202)</u>	<u>52,759,112</u>	<u>1,402,325,987</u>
Less accumulated depreciation for:					
Buildings	(30,013,153)	(3,885,983)	289,679	--	(33,609,457)
Art and historical treasures	(347,222)	(61,043)	12,555	--	(395,710)
Improvements other than buildings	(34,817,870)	(5,220,303)	--	--	(40,038,173)
Equipment and motor vehicles	(25,965,144)	(4,115,784)	1,515,350	--	(28,565,578)
Infrastructure	(397,588,815)	(33,054,794)	--	--	(430,643,609)
Total accumulated depreciation	<u>(488,732,204)</u>	<u>(46,337,907)</u>	<u>1,817,584</u>	<u>--</u>	<u>(533,252,527)</u>
Total capital assets, being depreciated, net	<u>819,512,750</u>	<u>(3,107,784)</u>	<u>(90,618)</u>	<u>52,759,112</u>	<u>869,073,460</u>
Governmental activities capital assets, net	<u>\$ 1,032,295,713</u>	<u>\$ 16,066,380</u>	<u>\$ (112,026)</u>	<u>\$ 124,987</u>	<u>\$ 1,048,375,054</u>
<b>Business-Type Activities:</b>					
Capital assets, not being depreciated:					
Land and water rights	\$ 12,371,588	\$ --	\$ --	\$ --	\$ 12,371,588
Construction in progress	52,441,896	14,397,595	(25,730)	(7,490,692)	59,323,069
Total capital assets, not being depreciated	<u>64,813,484</u>	<u>14,397,595</u>	<u>(25,730)</u>	<u>(7,490,692)</u>	<u>71,694,657</u>
Capital assets, being depreciated:					
Buildings	13,510,643	--	--	--	13,510,643
Improvements other than buildings	278,820,850	19,686,238	--	7,490,692	305,997,780
Machinery and equipment	1,976,725	149,975	(5,515)	(124,987)	1,996,198
Total capital assets, being depreciated	<u>294,308,218</u>	<u>19,836,213</u>	<u>(5,515)</u>	<u>7,365,705</u>	<u>321,504,621</u>
Accumulated depreciation for:					
Buildings	(4,441,021)	(349,406)	--	--	(4,790,427)
Improvements other than buildings	(75,781,103)	(7,648,850)	--	--	(83,429,953)
Machinery and equipment	(1,336,282)	(107,881)	5,515	--	(1,438,648)
Total accumulated depreciation	<u>(81,558,406)</u>	<u>(8,106,137)</u>	<u>5,515</u>	<u>--</u>	<u>(89,659,028)</u>
Total capital assets, being depreciated, net	<u>212,749,812</u>	<u>11,730,076</u>	<u>--</u>	<u>7,365,705</u>	<u>231,845,593</u>
Business-type activities capital assets, net	<u>\$ 277,563,296</u>	<u>\$ 26,127,671</u>	<u>\$ (25,730)</u>	<u>\$ (124,987)</u>	<u>\$ 303,540,250</u>

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 5: **Capital Assets** (continued)

Depreciation expense was charged to functions/programs of the government as follows:

**Governmental Activities:**

General government	\$ 1,290,377
Judicial	397,525
Police	129,157
Fire	1,004,366
Public works	37,107,347
Planning and community development	187,769
Culture and recreation	3,271,200
Urban redevelopment	211,495
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	2,738,671
Total depreciation expense - governmental activities	<u>\$ 46,337,907</u>

**Business-type Activities:**

Sanitary Sewer Fund	\$ 7,795,584
Golf Course Fund	270,565
Building Permit Fund	39,988
Total depreciation expense - business-type activities	<u>\$ 8,106,137</u>

Commitments outstanding for construction at June 30, 2009, totaled approximately \$17.8 million.

Enterprise fund construction in progress at June 30, 2009, primarily represents progress on sewer projects, including construction of interceptors and treatment plant improvements. Outstanding construction commitments total \$40.4 million for City of Reno enterprise fund projects and \$80,516 for the Truckee Meadows Water Reclamation Facility expansion.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 6: **Investment in Truckee Meadows Water Reclamation Facility (Joint Venture)**

Pursuant to an agreement dated March 24, 1980, the Cities of Reno and Sparks jointly own and operate the wastewater treatment facility commonly known as the Truckee Meadows Water Reclamation Facility (the Facility). A committee known as the Reno-Sparks Coordinating Committee advises the City Council of Reno and Sparks on matters relating to the Joint Wastewater Treatment Facility. The Cities have joint control in approving budgets for the Facility and providing financing for the operations thereof. As of June 30, 2009, approximately 68.63% of the Facility's capacity was owned by Reno and 31.37% by Sparks.

The City of Sparks is responsible for administration and daily operations of the Facility. The City of Reno is responsible for construction-related contracts of the Facility. The cost of operating and maintaining the Facility is divided in proportion to the volume of sewage entering from each City. It has historically been the Cities' policy not to fund depreciation on the assets of the Facility, thereby creating an accumulative deficit. During the year ended June 30, 2009, the City of Reno's share of the Facility's loss after contributions and an adjustment to capital assets, as recorded in the Sanitary Sewer Enterprise Fund, was (\$4,134,731).

The City of Reno uses the equity method to account for its investment in the jointly operated facility.

Separate financial statements for the Facility are available by contacting the Truckee Meadows Water Reclamation Facility, 8500 Clean Water Way, Reno, Nevada 89502.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 6: **Investment in Truckee Meadows Water Reclamation Facility (Joint Venture)**  
(continued)

Summary June 30, 2009 financial information for the Facility is as follows:

<b>ASSETS</b>	
Current assets	\$ 6,357,438
Utility plant	116,099,225
Total Assets	<u>122,456,663</u>
<b>LIABILITIES AND EQUITY</b>	
Current liabilities	4,528,553
Noncurrent liabilities	553,329
Total Liabilities	<u>5,081,882</u>
Net Assets:	
Invested in capital assets, net of related debt	116,099,225
Unrestricted	1,275,556
Total Net Assets	<u>117,374,781</u>
<b>OPERATING INFORMATION</b>	
Operating revenue	18,789,291
Operating expenses before depreciation	(18,789,291)
Depreciation	(5,423,772)
Nonoperating income (expense)	<u>48,064</u>
Loss before contributions	(5,375,708)
Capital contributions	<u>551,545</u>
Change in Net Assets	(4,824,163)
Net Assets, Beginning of Year	<u>122,198,944</u>
Net Assets, End of Year	<u>\$ 117,374,781</u>

The Truckee Meadows Water Reclamation Facility is nearing the completion of its expansion. Commitments outstanding for construction at June 30, 2009, totaled \$80,516. These commitments will be shared based on future capacity requirements for each entity.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 7: **Interfund Balances and Activity**

The composition of interfund balances as of June 30, 2009 is as follows:

**Due to/from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	\$ 890,539	Cover short-term cash requirements
Streets Capital Projects Funds	Nonmajor Governmental Funds	10,270,000	Cover short-term cash requirements
Sanitary Sewer Fund	Building Permit Enterprise Fund	750,000	Cover short-term cash requirements
Sanitary Sewer Fund	Planning Enterprise Fund	2,100,000	Cover short-term cash requirements
Internal Service Funds	Internal Service Funds	<u>4,570,000</u>	Cover short-term cash requirements
	Total	<u>\$ 18,580,539</u>	

During the year, loans were provided to cover short-term cash requirements.

**Transfers**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 7: **Interfund Balances and Activity** (continued)

**Transfers** (continued)

**(a) Between Governmental and Business-Type Activities:**

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Building Fund	\$ 1,623,774	Subsidize operations
	Planning Fund	2,246,261	Subsidize operations
	Nonmajor Enterprise Funds	<u>6,271,507</u>	Per Dispatch Fund policy/General Fund subsidy; subsidize golf course operations
		10,141,542	
Sanitary Sewer Fund	General Fund	<u>139,746</u>	Reimburse General Fund for 1/3 of water attorney
	Total	<u>\$ 10,281,288</u>	

**(b) Between Funds within the Governmental or Business-Type Activities:**

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental Funds	\$ 12,354,245	Per Parks, Recreation and Community Services Fund policy/General Fund subsidy of various programs
	Nonmajor Governmental Funds	448,590	Transfer special events costs of General Fund departments
	Nonmajor Governmental Funds	359,519	Transfer sales tax for debt service
	Nonmajor Governmental Funds	358,014	Transfer sales tax for debt service
	Nonmajor Governmental Funds	293,187	Subsidy for City Hall debt service
	Nonmajor Governmental Funds	171,000	Subsidy for CIP projects
	Nonmajor Governmental Funds	413,750	Contribution for City Hall acquisition
	Internal Service Funds	<u>4,023,757</u>	Per Technology Fund policy/General Fund subsidy
	Subtotal	<u>18,422,062</u>	
Downtown Events Center Debt Service Fund	Nonmajor Governmental Funds	<u>164,450</u>	Transfer room tax fund to cover cost of the Reno-Sparks Convention and Visitor's Authority management of Events Center and National Bowling Stadium
	Subtotal	<u>164,450</u>	

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 7: **Interfund Balances and Activity** (continued)

**Transfers** (continued)

**(b) Between Funds within the Governmental or Business-type Activities (continued):**

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Special Assessment	Nonmajor Governmental Funds	\$ 120,000	Transfer excess funds to cover expenditures
	Subtotal	<u>120,000</u>	
Nonmajor Governmental Funds	General Fund	36,000	Transfer to cover partial costs of Economic Development Manager
	General Fund	254,152	Transfer from Street Program to cover cost of additional engineering positions hired in place of outside consultants
	General Fund	207,602	Transfer \$100,000 for special events and \$107,602 for web master position per Council direction
	General Fund	27,506	Transfer excess revenues from special events
	General Fund	3,731,386	Transfer of rainy day funds to General Fund for redistribution to Building, Planning and Golf Course Funds
	General Fund	847,685	Transfer from Court assessments for court expenditures such as travel/training, temporary employees, and overtime, and of excess fund balance
	General Fund	200,000	Transfer funds for collection efforts
	General Fund	129,838	Transfer of forfeiture funds to cover Police/City Attorney expenditures
	General Fund	89,777	Transfer from CMP allocation for position assigned to building maintenance
	General Fund	593,513	Reimburse General Fund for utilities and maintenance at City Hall
	General Fund	783,185	Reimburse General Fund for Redevelopment Agency portion of downtown maintenance
Nonmajor Governmental Fund	Downtown Events Center Debt Service Fund	1,100,000	Transfer available balance to debt service fund for bond payments
	Downtown Events Center Debt Service Funds	750,000	Transfer remaining construction funds back to debt service fund
	Downtown Events Center Debt Service Fund	283,023	Transfer available balance for bond payments

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 7: **Interfund Balances and Activity** (continued)

**Transfers** (continued)

**(b) Between Funds within the Governmental or Business-Type Activities (continued):**

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Nonmajor Governmental Fund	Nonmajor Governmental Funds	\$ 397,900	Transfer to debt service fund for bonds issued for the plaza and Community Assistance Center
Nonmajor Governmental Fund	Nonmajor Governmental Funds	24,000	Transfer to Redevelopment Agency for partial costs of positions
Nonmajor Governmental Fund	Nonmajor Governmental Funds	2,000	Transfer for partial costs of positions
Nonmajor Governmental Fund	Nonmajor Governmental Funds	147,000	Transfer to Parks, Recreation and Community Services for special event covered by Public Works staff
Nonmajor Governmental Fund	Nonmajor Governmental Funds	74,779	Transfer funds for street work for Ballroom construction
Nonmajor Governmental Fund	Nonmajor Governmental Funds	934,032	Transfer to Parks, Recreation and Community Services allocation of room tax per Council Direction
Nonmajor Governmental Fund	Nonmajor Governmental Funds	612,000	Transfer to capital projects for city hall
Nonmajor Governmental Fund	Nonmajor Governmental Funds	266,647	Transfer court construction collections for debt service
Nonmajor Governmental Fund	Nonmajor Governmental Funds	178,361	Transfer funds to close out court construction fund
Nonmajor Governmental Fund	Nonmajor Governmental Funds	300,000	Transfer of CMP funds to Parks, Recreation and Community Services for small projects
Nonmajor Governmental Fund	Nonmajor Governmental Funds	1,072,222	Transfer special ad valorem funds for specific capital projects
Nonmajor Governmental Fund	Nonmajor Governmental Funds	352,583	Transfer bond proceeds for railroad trench cover
Nonmajor Governmental Fund	Nonmajor Governmental Funds	319,098	Transfer to fund Town Square design costs
Nonmajor Governmental Fund	Nonmajor Governmental Funds	34,088	Transfer funds set aside for public art maintenance at Ballroom

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 7: **Interfund Balances and Activity** (continued)

**Transfers** (continued)

**(b) Between Funds within the Governmental or Business-Type Activities (continued):**

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Nonmajor Governmental Fund	Nonmajor Governmental Funds	\$ 153,534	Transfer available funds for debt service
	Subtotal	<u>13,901,911</u>	
Sanitary Sewer Enterprise Fund	Nonmajor Enterprise Funds	<u>385,786</u>	Transfer funds for temporary assistance
	Subtotal	<u>385,786</u>	
Internal Service Funds	General Fund	10,000	Reimburse General Fund for public works motor vehicle administration
Internal Service Funds	General Fund	2,079,563	Transfer portion of reserves to General Fund
Internal Service Funds	Internal Service Funds	<u>58,671</u>	Transfer from Risk for IT expenditures paid for by IT
	Subtotal	<u>2,148,234</u>	
	Total	<u>\$ 35,142,443</u>	

Note 8: **Long-Term Liabilities**

Long-term liabilities at June 30, 2009 consisted of the following:

<u>Type of indebtedness (purpose)</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2009</u>
<b><u>Governmental Activities</u></b>					
<b><i>Tax Allocation Bonds:</i></b>					
1998F Downtown Redevelopment Project <i>(to partially refund 1990 and 1991 downtown redevelopment project bonds)</i>	9/1/03 - 9/1/17	4.50-5.25%	\$855,000 - \$1,105,000	\$ 22,685,000	\$ 12,450,000
2007A Tax Increment Senior Lien (Taxable) <i>(to refund the Agency's 1995A downtown redevelopment projects)</i>	6/1/18 - 6/1/23	6.10%	\$595,000 - \$755,000	4,000,000	4,000,000
2007B Tax Increment Senior Lien (Tax-exempt) <i>(to refund the Agency's 1998A downtown redevelopment projects)</i>	6/1/19 - 6/1/27	5.00%	\$50,000 - \$1,005,000	4,000,000	4,000,000
2007C Tax Increment Subordinate Lien (Tax-exempt) <i>(to refund the Agency's 1995A downtown redevelopment projects)</i>	6/1/19 - 6/1/27	5.40%	\$1,135,000 - \$1,720,000	12,690,000	12,690,000
2008 Tax Increment Bonds - RDA #2 <i>(to partially pay cost to develop Cabela's project)</i>	10/23/08 - 6/29/27	6.50%	\$30,000 - \$75,000	850,000	840,000
<b>Total Tax Allocation Bonds</b>				<b>\$ 44,225,000</b>	<b>\$ 33,980,000</b>

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 8: **Long-Term Liabilities** (continued)

Type of indebtedness (purpose)	Maturities	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
<b>General Obligation Bonds:</b>					
1997B Street Refunding Bonds <i>(to partially refund 1992 Street Bond)</i>	5/1/04 - 5/1/12	4.400 - 5.125%	\$65,000 - \$1,285,000	\$ 9,025,000	\$ 3,645,000
2003 Capital Improvement Refunding <i>(to refund 1993A Capital Improvement Bonds)</i>	4/1/04 - 4/1/10	4.00% - 5.00%	\$2,465,000 - \$3,615,000	21,705,000	3,615,000
2004 Building Bond <i>(to finance the acquisition, renovation, construction and improvements of the City's building projects)</i>	6/1/06 - 6/1/24	4.00% - 5.00%	\$115,000 - \$275,000	3,500,000	3,005,000
2005 Medium-term (limited tax) Bonds <i>(to finance capital improvement projects, including a public plaza and a homeless shelter)</i>	12/1/06 - 12/1/15	4.00%	\$270,000 - \$390,000	3,275,000	2,425,000
2009 Medium-Term Street Bonds <i>(to finance the City's accelerated street rehab program)</i>	6/1/11 - 6/1/19	3.00 - 5.00%	\$3,335,000 - \$6,505,000	45,000,000	45,000,000
<b>Total General Obligation Bonds</b>				<b>\$ 82,505,000</b>	<b>\$ 57,690,000</b>
<b>Revenue Bonds:</b>					
2002 Capital Improvement Revenue Bonds <i>(to finance the acquisition, renovation, construction and improvements of the new Downtown Events Center)</i>	6/1/06 - 6/1/32	5.125% - 5.375%	\$130,000 - \$10,655,000	\$ 108,625,000	\$ 41,790,000
2003A Building Bond (Tax Exempt) <i>(to finance renovations for the new City Hall building)</i>	6/1/12 - 6/1/18	3.75%	\$780,000 - \$970,000	6,100,000	6,100,000
2003B Building Bond (Taxable) <i>(to finance renovations for the new City Hall building)</i>	6/1/04 - 6/1/11	6.170%	\$480,000 - \$735,000	4,800,000	1,425,000
2005A Capital Improvement Refunding <i>(to partially refund the Series 2002 Capital Improvement Revenue Bonds)</i>	6/1/08 - 6/1/32	3.53%	\$400,000 - \$6,500,000	73,450,000	72,625,000
2005B Capital Improvement Refunding <i>(to finance the acquisition, establishment, construction, expansion, and improvement of the City's MultiPurpose Bowling Facility)</i>	6/1/37 - 6/1/40	5.42-5.48%	\$1,072,294 - \$1,900,071	6,445,154	6,445,154
2005C Capital Improvement Refunding <i>(to finance the acquisition, establishment, construction, expansion, and improvement of the City's MultiPurpose Bowling Facility)</i>	6/1/33 - 6/1/37	5.78%	\$845,926 - \$2,268,194	9,192,402	9,192,402
2006 Room Tax Revenue Refunding Bonds <i>(to refund the City's TIFIA Loan)</i>	6/1/07 - 6/1/36	5.91%	\$75,000 - -\$595,000	8,720,000	8,400,000
2006 Sales Tax Increment Subordinate Lien Bonds <i>(to acquire infrastructure and improvements related to Summit Sierra Retail Center)</i>	10/1/20	None	\$10,000,000	10,000,000	9,567,473
2006 Taxable Lease Revenue Bonds <i>(to finance the acquisition, renovation, construction and improvements of the City's building projects)</i>	12/1/08 - 6/1/26	Variable	\$85,000 - \$1,495,000	14,295,000	14,120,000
2007 Fitzgerald's Taxable Revenue Bond <i>(to finance the acquisition, renovation, construction and improvements of the City's building projects)</i>	7/1/09 - 7/1/27	Variable	\$72,000 - \$1,560,000	6,080,000	6,080,000
2007A Sales Tax Increment Bonds (Cabela's) <i>(to finance the acquisition, renovation, construction and improvements of the City's building projects)</i>	6/29/09 - 6/29/27	4.00%	\$345,000 - \$2,385,000	16,525,000	16,465,000
2007B Sales Tax Increment Bonds (Cabela's) <i>(to finance the acquisition, renovation, construction and improvements of the City's building projects)</i>	6/29/09 - 6/29/27	6.50%	\$215,000 - 2,480,000	18,175,000	17,995,000
2008A Senior Lien ReTRAC Refund <i>(to refund the 2006A Tax Exempt Sales Tax Bonds)</i>	6/1/09 - 6/1/42	3.32%	\$695,000 - \$8,965,000	143,210,000	142,515,000
2008B Subordinate ReTRAC Refund <i>(to refund the 2006B Tax Exempt Sales Tax Bonds)</i>	6/1/11 - 6/1/51	6.75 - 7.875%	\$400,000 - \$2,600,000	47,416,227	47,416,227
<b>Total Revenue Bonds</b>				<b>\$ 473,033,783</b>	<b>\$ 400,136,256</b>

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

**Note 8: Long-Term Liabilities** (continued)

Type of indebtedness (purpose)	Maturities	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
<b>Special Assessment Bonds:</b>					
1997 Special Assessment District No. 2 <i>(to finance sidewalks, curbs and gutter improvements)</i>	4/1/03 - 4/1/10	6.09%	\$5,000	\$ 48,000	\$ 5,000
1997 Special Assessment District No. 3 <i>(to finance sidewalks, curbs and gutter improvements)</i>	4/1/03 - 4/1/10	6.09%	\$7,000	66,000	7,000
1998 Special Assessment District No. 1 <i>(to finance sidewalks, curbs and gutter improvements)</i>	4/1/03 - 4/1/10	6.09%	\$23,000	214,000	23,000
1998 Special Assessment District No. 2 <i>(to finance sidewalks, curbs and gutter improvements)</i>	4/1/03 - 4/1/10	6.09%	\$8,000	74,000	8,000
1999 Special Assessment District No. 1 <i>(to finance sidewalks, curbs and gutter improvements)</i>	1/1/03 - 1/1/11	5.90%	\$4,600	44,700	9,200
1999 Special Assessment District No. 3 <i>(to finance sidewalks, curbs and gutter improvements)</i>	2/1/03 - 2/1/22	4.5-5.6%	\$85,000 - \$90,000	1,763,728	1,135,000
2000 Special Assessment District No. 1 <i>(to finance sidewalks, curbs and gutter improvements)</i>	1/15/03 - 1/15/12	4.39%	\$14,744	147,438	44,232
2001 Stead Special Improvement District No. 2 <i>(to acquire and improve streets in Northwest Reno)</i>	6/1/04 - 6/1/23	2.75-5%	\$100,000 - \$170,000	2,470,000	1,870,000
2002 Special Improvement District No. 5 <i>(to partially finance the construction of the Downtown Events Center)</i>	12/1/06 - 12/1/25	5.7-7.25%	\$425,000 - \$855,000	7,500,000	6,820,000
1999 Special Improvement District No. 2 <i>(to partially finance the construction of the ReTRAC project)</i>	6/1/07 - 6/1/25	6.08-7.28%	\$355,000 - \$1,270,000	13,905,000	12,165,000
2008A NV Tax-exempt Local Improvement <i>(to finance sidewalk, curb and gutter improvements)</i>	5/1/09 - 5/01/18	4.167%	\$20,000 - \$56,000	430,000	392,000
2008B NV Taxable Local Improvement <i>(to finance sidewalk, curb and gutter improvements)</i>	5/1/09 - 5/01/21	7.010%	\$42,000 - \$95,000	1,115,000	1,052,000
<b>Total Special Assessment Bonds</b>				<b>\$ 27,777,866</b>	<b>\$ 23,530,432</b>
<b>Notes Payable:</b>					
HUD Section 108 Loan Program <i>(to finance Section 108 housing projects)</i>	8/1/03 - 8/1/20	5.00-6.62%	\$33,000 - \$48,000	\$ 600,000	\$ 402,000
RDA Nevada Land LLC <i>(to finance temporary fire stations serving downtown)</i>	9/1/08-6/1/18	4.46%	\$600,000	6,000,000	5,400,000
				<b>\$ 6,600,000</b>	<b>\$ 5,802,000</b>
<b>Capital Leases:</b>					
Oshkosh Capital (Pierce Fire Pumpers 1 & 2) <i>(to finance fire department equipment)</i>	11/6/03 - 11/6/11	5.35%	\$45,016 - \$204,743	\$ 708,338	\$ 399,427
Oshkosh Capital (Pierce Fire Pumpers 3 & 4) <i>(to finance fire department equipment)</i>	3/17/13	4.99%	\$92,882 - \$112,856	787,124	386,849
Federal Signal Leasing (E-One Fire Tiller #1) <i>(to finance fire department equipment)</i>	12/21/09	4.49%	\$90,000 - \$110,000	612,873	133,571
Oshkosh Capital (Pierce Fire Tiller #2) <i>(to finance fire department equipment)</i>	8/26/14	4.39%	\$73,280 - \$103,338	788,014	558,382
Oshkosh Capital (Pierce Fire Pumpers 5 - 9 ) <i>(to finance fire department equipment)</i>	9/18/16	4.56%	\$192,321 - \$274,759	2,082,602	1,890,280
Suntrust Leasing (5 Fire Brush Trucks) <i>(to finance fire department equipment)</i>	6/27/16	4.062%	\$117,371 - \$161,399	1,245,277	1,005,767
<b>Total Capital Leases</b>				<b>\$ 6,224,228</b>	<b>\$ 4,374,276</b>

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 8: **Long-Term Liabilities** (continued)

Type of indebtedness (purpose)	Maturities	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
<b><i>Other:</i></b>					
Clean Energy Renewable Bonds <i>(to finance PV energy installations on City buildings)</i>	12/15/09 - 12/15/23	1.000%	\$156,000	\$ 2,340,000	\$ 2,340,000
<b>Total Other</b>				<b>\$ 2,340,000</b>	<b>\$ 2,340,000</b>
<b>Total Governmental Activities</b>				<b>\$ 642,705,877</b>	<b>\$ 527,852,964</b>
<b><u>Business-Type Activities</u></b>					
<b><i>General Obligation Bonds:</i></b>					
2004A Golf Course Refunding <i>(to refund 1993 Golf Course Bonds)</i>	7/1/04 - 7/1/19	2.25-4.0%	\$180,000 - \$270,000	\$ 3,505,000	\$ 2,535,000
2004 Sewer Revenue Bonds <i>(to finance plant expansion and sewer lines rehabilitation)</i>	7/1/06 - 7/1/24	2.990%	\$553,847 - \$938,969	73,133,162	65,531,199
2005 Sewer Revenue Bonds <i>(to construct the Lawton-Verdi interceptor)</i>	7/1/08 - 7/1/25	2.650%	\$181,887 - \$284,555	8,033,095	7,666,911
2008 Medium Term Sewer (Limited Tax) <i>(to fund sewer rehabilitation projects)</i>	4/1/09 - 4/1/18	Variable	\$2,076,000 - \$3,072,000	25,000,000	22,924,000
<b>Total General Obligation Bonds</b>				<b>\$ 109,671,257</b>	<b>\$ 98,657,110</b>
<b>Total Business-type Activities</b>				<b>\$ 109,671,257</b>	<b>\$ 98,657,110</b>

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 8: **Long-Term Liabilities** (continued)

The following is a summary of long-term liability transactions for the year ended June 30, 2009:

Bonds	Balance July 1, 2008	Additions	Retirements	Adjustments	Balance June 30, 2009	Amounts Due within One Year
<b><u>Governmental Activities</u></b>						
<i>Tax Allocation Bonds:</i>						
1998F Downtown Redevelopment Project	\$ 13,570,000	\$ --	\$ 1,120,000	\$ --	\$ 12,450,000	\$ 1,185,000
2007A Tax Increment Senior Lien (Taxable)	4,000,000	--	--	--	4,000,000	--
2007B Tax Increment Senior Lien (Tax-exempt)	4,000,000	--	--	--	4,000,000	--
Add: Original Issue Premium	44,525	--	2,343	--	42,182	--
2007C Tax Increment Subordinate Lien (Tax-exempt)	12,690,000	--	--	--	12,690,000	--
Less: Original Issue Discount	(29,757)	--	(1,567)	--	(28,190)	--
Less: Deferred amount on refunding	(265,629)	--	(26,563)	--	(239,066)	--
2008 Tax Increment Bonds	--	850,000	10,000	--	840,000	30,000
<b>Total Tax Allocation Bonds</b>	<b>34,009,139</b>	<b>850,000</b>	<b>1,104,213</b>	<b>--</b>	<b>33,754,926</b>	<b>1,215,000</b>
<i>General Obligation Bonds:</i>						
1997 Street Refunding Bonds	4,725,000	--	1,080,000	--	3,645,000	1,145,000
2003 Capital Improvement Refunding	7,055,000	--	3,440,000	--	3,615,000	3,615,000
Add: Unamortized Premium	481,007	--	240,504	--	240,503	--
Less: Deferred amount on refunding	(209,855)	--	(104,928)	--	(104,927)	--
2005 Medium-Term Bonds	2,720,000	--	295,000	--	2,425,000	305,000
Add: Unamortized Premium	29,651	--	4,236	--	25,415	--
2004 Building Bond	3,140,000	--	135,000	--	3,005,000	140,000
Add: Unamortized Premium	34,756	--	2,172	--	32,584	--
2009 Medium-Term Bonds	--	45,000,000	--	--	45,000,000	--
Add: Original Issue Premium	--	653,362	--	--	653,362	--
<b>Total General Obligation Bonds</b>	<b>17,975,559</b>	<b>45,653,362</b>	<b>5,091,984</b>	<b>--</b>	<b>58,536,937</b>	<b>5,205,000</b>
<i>Revenue Bonds:</i>						
2002 Capital Improvement (Events Center)	42,410,000	--	620,000	--	41,790,000	805,000
Less: Unamortized Discount	(74,654)	--	(3,121)	--	(71,533)	--
2003A Building Bonds (Tax Exempt)	6,100,000	--	--	--	6,100,000	--
Less: Unamortized Discount	(9,839)	--	(984)	--	(8,855)	--
2003B Building Bond (Taxable)	2,075,000	--	650,000	--	1,425,000	690,000
Less: Unamortized Discount	(4,235)	--	(1,411)	--	(2,824)	--
2005A Capital Improvement Refunding	73,050,000	--	425,000	--	72,625,000	425,000
Less: Deferred amount on refunding	(6,568,964)	--	(281,527)	--	(6,287,437)	--
2005B Capital Improvement	6,445,154	--	--	--	6,445,154	--
2005C Capital Improvement	9,192,402	--	--	--	9,192,402	--
2006C Taxable Room Tax Bond	8,525,000	--	125,000	--	8,400,000	135,000
2006 Sales Tax Increment Sub Bonds (Summit Sierra)	9,567,473	--	--	--	9,567,473	--
2006 ReTRAC Lease Bonds (Taxable)	14,295,000	--	175,000	--	14,120,000	215,000
2007 Fitzgerald's Taxable Revenue Bond	6,080,000	--	--	--	6,080,000	72,000
2007A Sales Tax Increment Bonds (Cabela's)	--	16,525,000	60,000	--	16,465,000	345,000
2007B Sales Tax Increment Bonds (Cabela's)	--	18,175,000	180,000	--	17,995,000	215,000
2008A Senior Lien ReTRAC Refund	143,210,000	--	695,000	--	142,515,000	1,125,000
Less: Deferred amount on refunding	(16,210,707)	--	(853,645)	(11,105,951)	(26,463,013)	--
2008B Subordinate ReTRAC Refund	47,416,227	--	--	--	47,416,227	--
Less: Unamortized Discount	(239,855)	--	(5,578)	--	(234,277)	--
Plus: Deferred amount on refunding	(794,941)	--	(48,259)	(1,038,886)	(1,785,568)	--
<b>Total Revenue Bonds</b>	<b>344,463,061</b>	<b>34,700,000</b>	<b>1,735,475</b>	<b>(12,144,837)</b>	<b>365,282,749</b>	<b>4,027,000</b>

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

**Note 8: Long-Term Liabilities (continued)**

Bonds	Balance July 1, 2008	Additions	Retirements	Adjustments	Balance June 30, 2009	Amounts Due within One Year
<b>Special Assessment Bonds:</b>						
1995 Special Assessment District No. 1	\$ 21,000	\$ --	\$ 21,000	\$ --	\$ --	--
1996 Special Assessment District No. 1	25,000	--	25,000	--	--	--
1997 Special Assessment District No. 2	10,000	--	5,000	--	5,000	5,000
1997 Special Assessment District No. 3	14,000	--	7,000	--	7,000	7,000
1998 Special Assessment District No. 1	46,000	--	23,000	--	23,000	23,000
1998 Special Assessment District No. 2	16,000	--	8,000	--	8,000	8,000
1999 Special Assessment District No. 1	13,800	--	4,600	--	9,200	4,600
1999 Special Assessment District No. 3	1,225,000	--	90,000	--	1,135,000	90,000
Add: Unamortized Premium	2,727	--	197	--	2,530	--
2000 Special Assessment District No. 1	58,976	--	14,744	--	44,232	14,744
2001 Stead Special Improvement District No. 2	1,970,000	--	100,000	--	1,870,000	105,000
Add: Unamortized Premium	19,602	--	1,314	--	18,288	--
2002 Special Improvement District No. 5	7,035,000	--	215,000	--	6,820,000	230,000
Less: Unamortized Discount	(71,830)	--	(4,196)	--	(67,634)	--
Less: Deferred amount on refunding	(284,442)	--	(32,003)	(195,606)	(448,045)	--
1999 Special Improvement District No. 2	13,145,000	--	980,000	--	12,165,000	445,000
Less: Unamortized Discount	(5,147)	--	(303)	--	(4,844)	--
2008A NV Tax-exempt Local Improvement	430,000	--	38,000	--	392,000	37,000
2008B NV Taxable Local Improvement	1,115,000	--	63,000	--	1,052,000	67,000
<b>Total Special Assessment Bonds</b>	<b>24,785,686</b>	<b>--</b>	<b>1,559,353</b>	<b>(195,606)</b>	<b>23,030,727</b>	<b>1,036,344</b>
<b>Notes Payable:</b>						
HUD Section 108 Loan Program, Series 2001A	453,000	--	51,000	--	402,000	33,000
RDA Nevada Land LLC	6,000,000	--	600,000	--	5,400,000	600,000
<b>Total Notes Payable</b>	<b>6,453,000</b>	<b>--</b>	<b>651,000</b>	<b>--</b>	<b>5,802,000</b>	<b>633,000</b>
<b>Capital Leases:</b>						
Oshkosh Capital - Pierce Fire Pumpers (1 & 2)	457,844	--	58,417	--	399,427	61,544
Oshkosh Capital - Pierce Fire Pumpers (3 & 4)	494,342	--	107,493	--	386,849	112,856
E-One - Fire Tiller	261,403	--	127,832	--	133,571	133,571
Oshkosh Capital - Fire Tiller #2	638,237	--	79,855	--	558,382	83,361
Oshkosh Capital - Pierce Fire Pumpers (5 - 9)	2,082,602	--	192,322	--	1,890,280	201,091
Suntrust Lease - Fire Brush Trucks (1 - 5)	1,127,906	--	122,139	--	1,005,767	127,100
<b>Total Capital Leases</b>	<b>5,062,334</b>	<b>--</b>	<b>688,058</b>	<b>--</b>	<b>4,374,276</b>	<b>719,523</b>
<b>Other:</b>						
Clean Energy Renewable Bonds	--	2,340,000	--	--	2,340,000	156,000
<b>Total Other</b>	<b>--</b>	<b>2,340,000</b>	<b>--</b>	<b>--</b>	<b>2,340,000</b>	<b>156,000</b>
Compensated absences - Governmental	27,106,856	13,465,549	12,727,298	--	27,845,107	12,902,406
Other post-employment benefits liability	10,020,793	11,448,663	3,063,835	--	18,405,621	--
Liability for unpaid claims	59,433,420	455,270	16,938,468	--	42,950,222	5,281,290
<b>Total Governmental Activities</b>	<b>\$ 529,309,848</b>	<b>\$ 108,912,844</b>	<b>\$ 43,559,684</b>	<b>\$ (12,340,443)</b>	<b>\$ 582,322,565</b>	<b>\$ 31,175,563</b>

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 8: **Long-Term Liabilities** (continued)

Bonds	Balance July 1, 2008	Additions	Retirements	Adjustments	Balance June 30, 2009	Amounts Due within One Year
<b><u>Business-Type Activities</u></b>						
<i>General Obligation Bonds:</i>						
2004A Golf Course Refunding	\$ 2,735,000	\$ --	\$ 200,000	\$ --	\$ 2,535,000	\$ 200,000
Add: Unamortized Premium	6,370	--	579	--	5,791	--
Less: Deferred amount on refunding	(82,959)	--	(7,541)	--	(75,418)	--
2004 Sewer Revenue Bonds	68,938,218	--	3,407,019	--	65,531,199	3,504,924
2005 Sewer Revenue Bonds	8,033,095	--	366,184	--	7,666,911	375,952
2008 Medium Term Sewer (Limited Tax)	25,000,000	--	2,076,000	--	22,924,000	2,079,000
<b>Total General Obligation Bonds</b>	<b>104,629,724</b>	<b>--</b>	<b>6,042,241</b>	<b>--</b>	<b>98,587,483</b>	<b>6,159,876</b>
Compensated absences - Business-type activities	2,027,197	1,530,344	1,514,298	--	2,043,243	1,536,995
Other post-employment benefits liability	811,069	1,074,948	412,061	--	1,473,956	--
<b>Total Business-type Activities</b>	<b>\$ 107,467,990</b>	<b>\$ 2,605,292</b>	<b>\$ 7,968,600</b>	<b>\$ --</b>	<b>\$ 102,104,682</b>	<b>\$ 7,696,871</b>

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities. Estimated compensated absences are generally liquidated by the General Fund and the following Special Revenue Funds: Street Fund, Parks and Recreation Fund, Redevelopment Agency Fund, and the Grants Fund.

**New Debt Issued:**

On October 23, 2008, the City of Reno issued \$16,525,000 of Sales Tax Increment Bonds, Series 2007A (Tax-Exempt) and \$18,175,000 of Sales Tax Increment Bonds, Series 2007B (Taxable), collectively, the "STAR Bonds". The proceeds from the STAR Bonds were used to pay, in part, the cost of developing the Cabela's project. Pursuant to NRS 271.A.070, the City created the Tourism Improvement District No. 2006-1 (Boomtown/Cabela's) for the development of this property. The STAR (Sales Tax Anticipated Revenue) Bonds shall be repaid through the pledged 75% of the sales and use taxes imposed pursuant to the statute governing repayment of STAR bonds. The Bonds will mature semi-annually on June 29 and December 29, starting June 29, 2009 and ending June 29, 2027. Interest on the 2007A Bonds is 4%; interest on the 2007B Bonds is 6.5%. Both interest payments are payable on June 29 and December 29, commencing June 29, 2009. The Bonds shall not be considered or held to be a general obligation of the City of Reno.

## CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 8: **Long-Term Liabilities** (continued)

### **New Debt Issued (continued):**

On October 23, 2008, the Redevelopment Agency District 2 issued \$850,000 of Taxable Revenue Bonds, Series 2008. The proceeds from the Bonds were used to pay in part the cost of developing the Cabela's project. The Bonds will mature semi-annually on June 29 and December 29 starting June 29, 2009 and ending on June 29, 2027. Interest on these bonds is 6.5% and payable on June 29 and December 29, commencing June 29, 2009. The bonds are payable from pledged property tax increment and all income from the investment and reinvestment of the Debt Service Fund and the Reserve Fund. The Bonds shall not be considered or held to be a general obligation of the City of Reno.

On May 29, 2009, effective June 9, 2009, the City of Reno entered into a \$2,340,000 Installment Purchase Agreement with Banc of America Leasing & Capital, LLC for the purpose of financing, wholly or in part, the cost to acquire, improve and equip City buildings with clean, renewable energy equipment (electricity from solar energy). The City shall pay principal and 1% interest annually on December 15 each year beginning on December 15, 2009 to and including December 15, 2023. This Agreement is payable from legally available funds of the City, specifically energy savings generated by the financed projects. This Agreement does not constitute a general obligation indebtedness of the City.

On June 30, 2009, The City of Reno issued \$45,000,000 of General Obligation (Limited Tax) Medium-Term Street Bonds, Series 2009. The proceeds from the Bonds were used to acquire, construct, improve and equip street projects within the City based upon the criteria set forth in the City's Accelerated Street Program. The Bonds mature annually beginning June 1, 2011 and ending on June 1, 2019. Interest on these bonds ranges from 3% - 5% and is payable on June 1 and December 1 commencing on December 1, 2009.

The Bonds constitute general obligations of the City. The principal of and interest on the Bonds will be payable from all funds of the City legally available for the purpose of making such payments. The full faith and credit of the City is pledged for the payment of the Bond Requirements. The City currently expects to pay the principal and interest on the Bonds from proceeds of its Streets Override; however, such revenues are not pledged to the payment of the Bonds.

### **Debt Restructuring:**

On February 5, 2009 (the Mode Change Date), the Tax-Exempt Capital Improvement Revenue Refunding Bonds, Series 2005A, initially issued October 26, 2005 as auction rate securities (ARS), with an outstanding principal amount of \$73,050,000 were converted from the ARS Mode to the Weekly Mode. The 2005A Bonds mature on June 1, 2032.

## CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 8: **Long-Term Liabilities** (continued)

### **Debt Restructuring (continued):**

On the Mode Change Date, the 2005A Bonds were converted to bear interest at a Weekly Rate in accordance with the provisions of the Bond Ordinance. While the 2005A Bonds bear interest at a Weekly Rate, interest will be paid on the first Business Day of each month commencing March 2, 2009. An irrevocable direct-pay letter of credit was issued by Bank of America, N.A. on February 1, 2009, and delivered to the Trustee on February 5, 2009. The Letter of Credit secures the payment of the principal of and interest on the 2005A Bonds when due and the Purchase Price of tendered 2005A Bonds only while the 2005A Bonds are in the Weekly Mode. The Letter of Credit has a stated termination date of February 5, 2012, unless terminated sooner or extended pursuant to its terms.

### **Prior Years' Defeasance of Debt:**

On October 26, 2005, the City issued \$73,450,000 of Tax-Exempt Capital Improvement Revenue Refunding Bonds, Series 2005A. The proceeds from the Bonds were used for a partial advance refunding and defeasance of the City's Capital Improvement Revenue Bonds, Series 2002. At June 30, 2009, the outstanding principal balance in the amount of \$65,355,000 is considered defeased and held in trust.

On May 3, 2006, the City issued \$137,425,000 of Senior Lien Sales Tax Revenue Refunding Bonds (ReTRAC-Reno Transportation Rail Access Corridor Project), Series 2006A (which were refunded with the issuance of the 2008A Bonds). The proceeds from the Bonds were used for advance refunding and defeasance of the City's ReTRAC Reno Transportation Rail Access Corridor Project, Series 2002 Senior Lien Sales and Room Tax Revenue Bonds. At June 30, 2009, the outstanding principal balance in the amount of \$114,245,000 is considered defeased and held in trust.

### **Interest Rate Swap Agreements:**

In conjunction with the issuance of the 2005A Capital Improvement Revenue Refunding Bonds, the City entered into an interest rate exchange transaction with Goldman Sachs Capital Markets L.P. In general, the terms of the 2005A Swap provides that the City will make semiannual payments to Goldman Sachs at a fixed interest rate (3.53%) based on a notional amount equal to the outstanding principal amount of the 2005A Bonds. In return, Goldman Sachs will make monthly payments to the City based on the same respective notional amount that reflect a variable rate of interest equal to the lower of (1) one-month LIBOR or (2) one-month Libor times 67% or times 56% plus 44 basis points, whichever is greater. The 2005A Swap became effective on October 26, 2005, and terminates on June 1, 2032, unless terminated early in accordance with its terms. As of June 30, 2009, the termination value was (\$6,508,231).

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 8: **Long-Term Liabilities** (continued)

**Interest Rate Swap Agreements (continued):**

In conjunction with the issuance of the 2008A Senior Lien Sales Tax Revenue Refunding Bonds, the City entered into an interest rate exchange transaction with Goldman Sachs Capital Markets L.P. In general, the terms of the 2008A Swap provides that the City will make semiannual payments to Goldman Sachs at a fixed interest rate (3.32%) based on a notional amount equal to the outstanding principal amount of the 2008A Bonds. In return, Goldman Sachs will make monthly payments to the City based on the same respective notional amount that reflect a variable rate of interest equal to the one-month LIBOR times 67%. The 2008A Swap became effective on March 4, 2008, and terminates on June 1, 2042, unless terminated early in accordance with its terms. As of June 30, 2009, the termination value was (\$12,617,146).

**Summary of Long-Term Debt**

Presented below is a summary of debt service requirements to maturity of the City's governmental bonds and notes payable:

Fiscal Year June 30,	Debt Supported by Sales Tax/Room Tax Revenues*		Debt Supported by Specific or General Revenues Installments	
	Principal	Interest	Principal	Interest
2010	\$ 3,050,000	\$ 12,673,538	\$ 305,000	\$ 1,726,477
2011	3,890,000	12,547,832	3,655,000	1,857,275
2012	4,705,000	12,375,696	4,295,000	1,744,225
2013	5,415,000	12,158,446	4,545,000	1,611,775
2014	6,140,000	11,917,475	4,815,000	1,471,675
2015-2019	44,400,000	54,462,415	29,810,000	4,059,325
2020-2024	59,406,817	55,171,915	--	--
2025-2029	76,369,586	49,198,317	--	--
2030-2034	68,684,550	61,298,888	--	--
2035-2039	50,698,489	91,263,389	--	--
2040-2044	32,456,680	79,511,649	--	--
2045-2049	5,701,161	111,673,040	--	--
2050-2051	1,926,500	50,114,280	--	--
Subtotal	362,843,783	614,366,880	47,425,000	12,470,752
Unamortized Premium (Discount)	(305,810)	--	678,777	--
Deferred Gain (Loss) on Refunding	(34,536,018)	--	--	--
Total	<u>\$ 328,001,955</u>	<u>\$ 614,366,880</u>	<u>\$ 48,103,777</u>	<u>\$ 12,470,752</u>

\* These totals exclude any debt service requirements for the 2006 Sales Tax Increment Subordinate Bonds as the repayment schedule on this instrument is variable.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 8: **Long-Term Liabilities** (continued)

**Summary of Long-Term Debt (continued):**

Fiscal Year June 30,	Notes Payable		Debt Supported by Ad Valorem Tax	
	Principal	Interest	Principal	Interest
2010	\$ 633,000	\$ 254,759	\$ 6,115,000	\$ 2,276,745
2011	633,000	226,115	2,630,000	1,966,966
2012	633,000	197,449	2,780,000	1,830,314
2013	633,000	168,742	1,570,000	1,687,420
2014	633,000	139,989	1,645,000	1,608,445
2015-2019	2,565,000	277,669	9,475,000	6,766,665
2020-2024	72,000	4,955	12,040,000	4,130,573
2025-2029	--	--	7,990,000	855,533
Subtotal	5,802,000	1,269,678	44,245,000	21,122,661
Unamortized Premium (Discount)	--	--	287,079	--
Deferred Gain (Loss) on Refunding	--	--	(343,993)	--
Total	<u>\$ 5,802,000</u>	<u>\$ 1,269,678</u>	<u>\$ 44,188,086</u>	<u>\$ 21,122,661</u>

Fiscal Year June 30,	Debt Supported by Other Specific Revenues		Debt Supported by Special Assessment Installments	
	Principal	Interest	Principal	Interest
2010	\$ 977,000	\$ 887,513	\$ 1,036,344	\$ 1,568,073
2011	1,071,000	1,465,843	1,042,344	1,506,201
2012	1,165,000	1,400,598	1,089,744	1,443,229
2013	1,245,000	1,340,995	1,137,000	1,376,609
2014	1,345,000	1,276,930	1,211,000	1,305,988
2015-2019	7,643,000	5,184,286	6,841,000	5,285,659
2020-2024	6,852,000	3,250,027	8,585,000	2,701,461
2025-2029	7,427,000	806,013	2,588,000	192,450
Subtotal	27,725,000	15,612,205	23,530,432	15,379,670
Unamortized Premium (Discount)	(11,679)	--	(51,660)	--
Deferred Gain (Loss) on Refunding	--	--	(448,045)	--
Total	<u>\$ 27,713,321</u>	<u>\$ 15,612,205</u>	<u>\$ 23,030,727</u>	<u>\$ 15,379,670</u>

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 8: **Long-Term Liabilities** (continued)

**Summary of Long-Term Debt (continued):**

Fiscal Year June 30,	Installment Purchase Contract	
	Principal	Interest
2010	\$ 156,000	\$ 12,090
2011	156,000	21,840
2012	156,000	20,280
2013	156,000	18,720
2014	156,000	17,160
2015-2019	780,000	62,400
2020-2024	780,000	23,400
<b>Total</b>	<b>\$ 2,340,000</b>	<b>\$ 175,890</b>

Presented below is a summary of debt service requirements to maturity of the City's business-type bonds:

Fiscal Year June 30,	Business-Type Activities			
	Debt Supported by Ad Valorem Tax and Specific Revenues		Debt Supported by General/ Specific Revenues Installments	
	Principal	Interest	Principal	Interest
2010	\$ 4,080,876	\$ 2,130,104	\$ 2,079,000	\$ 880,282
2011	4,196,629	2,014,588	2,183,000	800,448
2012	4,320,552	1,895,147	2,292,000	716,621
2013	4,437,735	1,771,783	2,407,000	628,608
2014	4,563,271	1,644,502	2,527,000	536,179
2015-2019	24,858,672	6,168,376	11,436,000	1,124,659
2020-2024	27,493,854	2,428,059	--	--
2025-2029	1,781,521	36,696	--	--
<b>Subtotal</b>	<b>75,733,110</b>	<b>18,089,255</b>	<b>22,924,000</b>	<b>4,686,797</b>
Unamortized Premium (Discount)	5,791	--	--	--
Deferred Gain (Loss) on Refunding	(75,418)	--	--	--
<b>Total</b>	<b>\$ 75,663,483</b>	<b>\$ 18,089,255</b>	<b>\$ 22,924,000</b>	<b>\$ 4,686,797</b>

The amount of long-term debt that can be incurred by the City is limited by State statute. Total outstanding long-term obligations during a year can be no greater than 15% of the assessed value of taxable property at the beginning of the fiscal year. The City is in compliance with this limitation. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with such limitations and restrictions.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 8: **Long-Term Liabilities** (continued)

**Summary of Long-Term Debt (continued):**

The City has issued various special assessment bonds, the proceeds of which have been used to fund infrastructure improvements. These bonds do not constitute debt of the City within the meaning of any constitutional or statutory provision or limitation and are not considered a general obligation of the City. They are considered special obligations payable solely from assessments levied in the Districts. However, in case of deficiencies, the bonds are further secured by the General Fund, then by general ad valorem taxes.

**Rebatable Arbitrage Earnings**

The Tax Reform act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and financings and at June 30, 2009 does not expect to incur a liability.

Note 9: **Leases**

**Operating Leases**

The City is committed under various operating leases, primarily for office buildings and equipment (principally copiers).

Future minimum operating lease commitments are as follows:

Year Ending <u>June 30,</u>	
2010	\$ 1,047,069
2011	815,146
2012	558,924
2013	506,968
Total	<u>\$ 2,928,107</u>

Rent expenditures were \$1,197,014 for the year ended June 30, 2009.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 9: **Leases** (continued)

**Capital Leases**

The City has entered into long-term capital lease agreements under which the related equipment will become the property of the City when all terms of the lease agreement are met.

Capital assets and accumulated depreciation held under capital leases are as follows:

	<u>Governmental Activities</u>
Equipment	\$ 6,224,228
Less accumulated depreciation	<u>(1,161,888)</u>
Net capital assets	<u>\$ 5,062,340</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 were as follows:

	<u>Year Ending June 30,</u>	
	2010	\$ 917,757
	2011	738,884
	2012	738,884
	2013	860,714
	2014	588,116
	2015-2017	<u>1,305,646</u>
Total requirements		5,150,001
Less interest		<u>(775,725)</u>
Present value of remaining payments		<u>\$ 4,374,276</u>

Note 10: **Net Asset Restatements**

Adjustments resulting from errors or a change to comply with the provisions of new accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as restatements of beginning net assets.

- **Governmental activities cash** – an adjustment for (\$480,745) was made to reflect the refunding of an overpayment of a prior year business license renewal.

## CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 10: **Net Asset Restatements** (continued)

- **Governmental activities due from other governments** – an adjustment for \$419,250 was made to reflect the accrual of federal grant revenues in the appropriate year.
- **Governmental activities interest receivable** – an adjustment for (\$79,695) related to an interest allocation error made in the prior year.
- **Governmental activities capital assets** – Two adjustments totaling (\$1,566,310) were made: (\$1,588,110) to reduce construction in progress for non-infrastructure project expenses that were maintenance in nature or did not otherwise meet the capital threshold; and \$21,800 to reverse a prior year expense relating to an improvement other than buildings that was capitalized in the current fiscal year.
- **Governmental activities deferred charges** – an adjustment for \$50,300 was made to adjust deferred charges to include bond issuance costs that were expensed in FY 2008.
- **Governmental activities accrued salaries and benefits** – an adjustment for (\$90,378) was made to reduce benefits that were paid out of another fund in error.
- **Governmental activities interest payable** – an adjustment for (\$518,839) was made due to an under-accrual of interest expense due to new bonds issued.
- **Governmental activities invested in capital assets net of related debt** – an adjustment for (\$1,566,310) related to the capital asset adjustments described above.
- **Governmental activities restricted** – an adjustment for \$419,250 was made related to the adjustment to due from other governments discussed above.
- **Governmental activities unrestricted** – an adjustments totaling (\$1,119,357) was made to reflect the adjustments to cash, interest receivable, deferred charges, salaries and benefits, and interest payable discussed above.

For FY 2008 a computation error was made in calculating the June average cash balance for a fund, resulting in an overstatement of interest earnings/interest receivable by \$356,755 for that fund reported as Public Works Capital Project Fund and an understatement of interest earnings/interest receivable for most other governmental funds, enterprise funds, and internal services funds having average cash balances. The net of these adjustments is zero. The affected fund categories are shown below:

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 10: **Net Asset Restatements** (continued)

General Fund	\$ 20,430
Special Revenue Funds	41,999
Major Debt Service Funds	50,111
Nonmajor Debt Service Funds	15,619
Major Capital Project Funds	2,145
Nonmajor Capital Project Funds	(281,091)
Major Enterprise Funds	71,359
Nonmajor Enterprise Funds	2,294
Internal Service Funds	71,092
Fiduciary Funds	6,042

The following adjustments to prior year balances also were recorded:

- **General Fund** – an adjustment for (\$480,745) was made to reflect the refunding of a FY 2008 business license overcharge.
- **Community Development Block Grants Fund** – three adjustments totaling \$430,834 were made to reflect the under-accrual of grant revenue in the prior year.
- **Public Works Capital Project Fund** – one adjustment was made for (\$11,584) remove capital grant proceeds that were recorded twice in error.
- **Self-funded Medical Plan Internal Service Fund** – an adjustment of (\$90,378) was made to reflect Reno Plan medical insurance- and self-funded dental insurance-related expenditures that should have been expensed against a General Fund liability account.
- **Business-type activities interest receivable** – an adjustment for \$8,610 to increase interest receivable due to the allocation error mentioned previously.
- **Business-type activities restricted assets** – two adjustments totaling (\$14,745) were made: an adjustment for (\$79,788) to reverse a fiscal year 2007 invoice that should have been voided; and an adjustment for \$65,043 to increase interest receivable due to the allocation error mentioned previously.
- **Business-type activities capital assets** – an adjustment for (\$492,226) to reduce construction in progress for project expenses that were maintenance in nature or did not otherwise meet the capitalization criteria.
- **Sanitary Sewer Fund** – two adjustments totaling (\$572,014) were made: (\$79,788) to reverse a municipal billing that was to have been voided in FY 2008; and (\$492,226) to reduce construction in progress for project expenses that were maintenance in nature or did not otherwise meet the capitalization criteria.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 11: **Restricted Net Assets**

Restricted net assets are assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grants, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Restricted net assets at June 30, 2009 for governmental activities are as follows:

Restricted for Capital Projects:

Downtown Events Center CP Fund	\$	351,343	
Public Works CP Fund		749,097	
City Bonds CP Fund		11,343	
Parks CP Fund		5,363,719	
Street Impact CP Fund		41,164	
Special Ad Valorem Fund		2,144,388	
Redevelopment Agency Capital CP Fund		<u>36,704,431</u>	
	\$		45,365,485

Restricted for Debt Service

Railroad Debt Service		23,532,816	
Events Center Debt Service Fund		13,441,467	
Special Assessment Debt Service Fund		7,276,879	
City of Reno Debt Service Fund		7,312,144	
Redevelopment Debt Service Fund		<u>3,751,508</u>	
			55,314,814

Restricted for Streets:

Street Fund		<u>933,662</u>	
			933,662

Restricted for Claims:

Risk Retention Fund		4,026,899	
Self-Funded Medical Plan Fund		<u>13,296,652</u>	
			17,323,551

Restricted for Other Purposes:

General Fund		236,870	
Community Development Block Grant Fund		252,006	
Parks and Recreation Fund		57,911	
Courts Fund		97,067	
Drug Forfeiture Fund		538,332	
Public Works CP Fund		<u>68,188</u>	
			<u>1,250,374</u>

Total Restricted Net Assets - Governmental Activities \$ 120,187,886

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 11: **Restricted Net Assets** (continued)

Included in total restricted net assets for the governmental activities at June 30, 2009 are net assets restricted by enabling legislation of \$118,881,725.

Note 12: **Fund Balance Reserves for Other Programs**

The following are fund balances that are reserved per agreements, requirements or directives of grants, City Council, and/or federal law.

Reserved Fund balances for Other Programs as of June 30, 2009 are as follows:

General Fund:	
Neighborhood Advisory Boards	\$ 16,364
Law enforcement	59,194
Fire activities	11,213
Triad Haz-Mat team	150,099
Miscellaneous	<u>2,002</u>
	238,872
Nonmajor Special Revenue Funds:	
Community Development Block Grants Fund	257,191
Parks & Recreation Fund - private grants	57,911
Drug Forfeiture Fund	<u>538,332</u>
	853,434
Nonmajor Capital Project Funds:	
City Public Works Fund - sensitive lands acquisitions	68,188
Public art maintenance	<u>98,721</u>
	<u>166,909</u>
Total Reserved Fund Balance for Other Programs	<u><u>\$ 1,259,215</u></u>

## CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

### Note 13: Contingent Liabilities

Litigation – The City is a defendant in a number of lawsuits arising principally from claims against the City for alleged improper actions by City employees, including alleged improper police action and negligence. Total damages claimed are substantial; however, it has been the City's experience that such actions are settled for amounts substantially less than the claimed amounts. The City has liability insurance policies which would offset damages above the self-insured retention amount of \$1,000,000 per occurrence for general liability claims and for claims against public officials. The City's Risk Manager and the City Attorney estimate that the potential claims against the City would not materially affect the financial condition of the City.

The City is a defendant in one case related to the temporary displacement of a business during the ReTRAC construction project. This case is still on appeal, and has become complicated by the plaintiff's filing of bankruptcy. The attorney handling the case believes that City's exposure is less than the amount that had been previously advanced to the plaintiff for relocation. Therefore, no additional liability has been accrued.

Water Quality Settlement – Pursuant to an interlocal agreement amended and restated on June 11, 1997 and July 28, 1998, the City of Reno, the City of Sparks, and Washoe County entered into a joint venture for the purchase of water rights pursuant to the Truckee River Water Quality Settlement Agreement (TRWQSA) dated October 10, 1996. Parties to the TRWQSA are the City of Reno, Washoe County, the City of Sparks, U.S. Department of the Interior (DOI), the U.S. Department of Justice, the U.S. Environmental Protection Agency, the Nevada Division of Environmental Protection and the Pyramid Lake Paiute Tribe of Indians (TRIBE).

The TRWQSA settled and dismissed pending litigation by the TRIBE filed in 1998 relating to the expansion of the Truckee Meadows Water Reclamation Facility (TMWRF), which is operated by Reno and Sparks. It allows Reno and Sparks to use the sewage plant's full capacity in exchange for the purchase of \$24,000,000 of water rights: \$12,000,000 by DOI and \$12,000,000 by the joint venture participants. The purchase of the remaining water rights was financed by Washoe County under the State of Nevada Water Pollution Control Revolving Fund. Pursuant to the agreement, the City began transferring a portion of the sewer connection fees to pay their share of the financing. The City has fully paid its share of the purchase and ceased remitting fees to Washoe County in FY 2007.

Washoe County is responsible for administration of the Joint Venture. The arrangement is considered a joint venture with no equity interest because no explicit and measurable equity interest is deemed to exist. All equity is reserved for purchase of water rights and repayment of debt and is therefore unavailable to the entities. Each entity (Washoe County, Reno, and Sparks) owns an undivided and equal interest in the property and water rights purchased. The amount attributable to the City of Reno at June 30, 2009 is \$3,172,100.

## CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 13: **Contingent Liabilities** (continued)

Separate financial statements and information for the Joint Venture are available by contacting the Washoe County Comptroller's Department, 1001 E. 9<sup>th</sup> Street, Reno, Nevada.

Truckee Meadows Water Authority – The Truckee Meadows Water Authority (“Authority”) is a joint powers authority formed in November 2000, pursuant to a Cooperative Agreement (the “Agreement”) among the City of Reno, Nevada (“Reno”), the City of Sparks, Nevada (“Sparks”) and Washoe County, Nevada (the “County”). The Authority was formed in order to purchase the water assets, to undertake the water utility operations of Sierra Pacific Power Company (“SPPCo”), a Nevada corporation, and to develop, manage and maintain supplies of water for the benefit of the Truckee Meadows community. The Authority and SPPCo entered into an Asset Purchase Agreement dated as of January 15, 2001 in order to establish the terms and conditions of the Authority's purchase of the water system. The Authority has issued bonds that do not constitute an obligation of Reno, Sparks, the County or the State of Nevada.

The Authority is considered a joint venture because: 1) the Agreement results in a contractual entity, 2) joint control exists in a seven member governing body with three directors appointed by Reno, two directors appointed by Sparks, one director appointed by the County and one at-large director, who shall be an elected official from the governing body of a member, and 3) there is an ongoing financial relationship/responsibility on the part of the participating entities. The arrangement is considered a joint venture with no equity interest recorded on the City's balance sheet as of June 30, 2009, because no explicit and measurable equity interest is deemed to exist.

The City entered into a cancelable administrative services agreement with the Authority on June 7, 2001, the term of which was for three years, automatically renewing on an annual basis until cancelled by either party. Under the original agreement, the City provided a variety of services including, but not limited to, accounting, purchasing, investing and other financial services, budgeting, human resources, administration of payroll and employee benefits, development and maintenance of information systems, and property management. The agreement was modified on June 30, 2004, and again on December 10, 2004, to reduce the services performed by the City to primarily human resources, payroll and employee benefits. The fee for such services was \$23,917 per month for fiscal year 2009. In addition to the aforementioned agreement, the Authority also contracts with the City for vehicle maintenance under a fleet services agreement. The Authority paid \$323,761 during the year ended June 30, 2009 for vehicle maintenance.

Separate financial statements and information for the Joint Venture are available by contacting the Authority at 1355 Corporate Blvd., P.O. Box 30013, Reno, Nevada 89520-3013.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 14: **Risk Retention and Self-Funded Workers Compensation Funds**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established a Risk Retention Internal Service Fund and a Self-Funded Workers Compensation Internal Service Fund to account for and finance these risks of loss. Under these programs, the Funds provide coverage for up to a maximum of \$2,500,000 for each worker's compensation claim, \$1,000,000 for each general liability claim, and \$10,000 for each property damage claim, with the exception of flood and earthquake occurrences. In fiscal year 2009, the funds provided coverage of up to the statutory limits for each worker's compensation claim and the amount for which the City is liable for each general liability claim. The City purchases commercial insurance for claims in excess of coverage provided by the Funds and for other insurable risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the City participate in the program and make payments to the Risk Retention Internal Service Fund and the Self-Funded Workers Compensation Internal Service Fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for claims. The reserves for the Risk Retention Internal Service Fund and the Self-Funded Workers Compensation Internal Service Fund were \$4,026,899 and \$0, respectively, at June 30, 2009. Claims liabilities of \$2,022,868 and \$39,095,121 are reported in the funds at June 30, 2009, respectively. The City estimates the current portion of claims liability in these funds as \$266,136 and \$3,227,141, respectively.

Liabilities include other incremental costs. Changes in the funds' claims liability amounts for the past three years were:

	<u>Risk Retention Fund</u>	<u>Self-Funded Workers Compensation Fund</u>
Claims liability, June 30, 2007	\$ 2,551,730	\$ 53,041,943
Claims and changes in estimates	481,152	6,658,815
Claims payments	<u>( 321,856)</u>	<u>(4,711,014)</u>
Claims liability, June 30, 2008	2,711,026	54,989,744
Claims and changes in estimates	(414,365)	(12,396,943)
Claims payments	<u>(273,793)</u>	<u>(3,497,680)</u>
Claims liability, June 30, 2009	<u>\$ 2,022,868</u>	<u>\$ 39,095,121</u>

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 15: **Self-Funded Medical Plan Internal Service Fund**

The City is self-insured for medical insurance for certain City employees. Payments to the Self-Funded Medical Plan Internal Service Fund are accounted for as operating revenues and as expenditures/expenses, as appropriate, in the General Fund and other funds. The City maintains stop-loss coverage in the amount of \$150,000 per employee per year. The City's maximum payment is \$2 million per individual per lifetime.

A liability (included in accrued liabilities in the accompanying financial statements) for claims incurred but unasserted has been recorded in the fund in an amount as actuarially determined. The City estimates \$1,788,013 of the claims liability as current. Changes in the fund's claims liability amounts for the past two years were:

Claims liability, June 30, 2007	\$ 1,545,398
Claims and changes in estimates	12,951,861
Claims payments	<u>(12,764,609)</u>
Claims liability, June 30, 2008	1,732,650
Claims and changes in estimates	13,227,043
Claims payments	<u>(13,127,460)</u>
Claims liability, June 30, 2009	<u>\$ 1,832,233</u>

Note 16: **Other Post Employment Benefits**

**Plan Description:**

Eligible retirees receive health care coverage through two plans offered by the City of Reno – City of Reno Group Health Plan or Hometown Health Plan or, if retiring prior to September 1, 2008, they may choose coverage under the Nevada Public Employee Benefit Plan (PEBP).

Retirement cost sharing provisions for the retiree health plan is as follows:

- Cost sharing for the City of Reno Group Health Plan and the Hometown Health Plan is a percentage of the full medical premium dependent upon the applicable bargaining unit contract and ranges from 50% to 100%. Coverage begins on the date of retirement from City services until age 65 or eligibility for Medicare, whichever comes first, with the exception of police which receive coverage for life.
- Cost sharing for the Nevada PEBP is a set dollar amount that varies by years of service upon retirement.

The City also offers its retirees dental, vision, and life insurance benefits.

As of July 1, 2007, the City had 604 retirees receiving benefits and 1,454 employees.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 16: **Other Post Employment Benefits** (continued)

**Annual OPEB Cost and Net OPEB Obligation:**

For fiscal year 2009 the City's annual OPEB cost was \$12,523,610. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2009, were as follows:

Annual required contribution	\$ 12,504,248
Interest on net OPEB obligation	433,274
Adjustment of annual required contribution	<u>(413,912)</u>
<b>Annual OPEB cost</b>	<b>12,523,610</b>
Contributions made	<u>3,475,896</u>
Change in net OPEB obligation (asset)	9,047,714
Net OPEB obligation (asset), beginning of year	<u>10,831,862</u>
<b>Net OPEB obligation (asset), end of year</b>	<b><u>\$ 19,879,576</u></b>

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Ending OPEB Obligation (Asset)</u>
June 30, 2008	\$ 13,994,052	\$ 3,162,190	22.60%	\$ 10,831,862
June 30, 2009	12,523,610	3,475,896	27.75	19,879,576

In future years, three-year trend information will be presented. Fiscal year 2008 was the year of implementation of GASB Statement No. 45 and the City elected to implement prospectively; therefore, only one prior year comparative data is available.

**Funded Status and Funding Progress:**

The funded status of the plan based on an actuarial valuation as of July 1, 2007, and a roll-forward to July 1, 2008, was as follows:

	<u>July 1, 2007</u>	<u>July 1, 2008</u>
Actuarial accrued liability (AAL)	\$ 117,483,434	\$ 126,497,692
Actuarial value of plan assets	<u>                  --</u>	<u>                  --</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 117,483,434</u>	<u>\$ 126,497,692</u>
Funded ratio (actuarial value of plan Assets/AAL)	0.00%	0.00%
Covered payroll	\$ 124,530,962	\$ 123,307,077
UAAL as percentage of covered payroll	94.34%	102.59%

## CITY OF RENO, NEVADA

Notes to Financial Statements  
June 30, 2009

Note 16: **Other Post Employment Benefits** (continued)

### **Funded Status and Funding Progress (continued):**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

For the actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions include a 4% discount rate. A long-term inflation assumption of 3% was used in developing level percent amortization. The pre-Medicare trend rate assumption is 13% for 2006 grading down 1% per year to 4% by 2015, and the post-Medicare trend rate is 11% grading down 1% per year to 4% by 2013. The actuarial value of assets is equal to the market value. The unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll. However, for the July 1, 2007 valuation, level dollar amortization was used. The remaining amortization period at July 1, 2008 is 30 years, reflecting the City's use of an open amortization period.

The required schedule of funding progress, presented as required supplementary information following the *Notes to the Financial Statements*, will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits. As fiscal year 2008 was the year of implementation of GASB Statement No. 45, and the City elected to apply the statement prospectively, only two years are shown. In future years, required trend data will be presented.

Note 17: **Defined Benefit Pension Plan**

Plan Description – The City of Reno contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost-sharing, multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation.

The Public Employees Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599 or by calling (775) 687-4200.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 17: **Defined Benefit Pension Plan** (continued)

Funding Policy – Plan members are funded under the employer pay contribution plan, wherein the City is required to contribute all amounts due under the plan. The contribution requirements of plan members and the City are established by Chapter 286 of the Nevada Revised Statutes. Any adjustments are made on July 1 of each odd-numbered year. The City’s contribution rates and amounts contributed (equal to required contribution) for the last three years are as follows:

<u>Fiscal Year</u>	<u>Contribution Rate</u>			<u>Percentage</u>	
	<u>Regular Members</u>	<u>Police/Fire</u>	<u>Judicial</u>	<u>Total Contribution</u>	<u>of APC Contributed</u>
2008-2009	20.50%	33.50%	23.75%	\$ 30,309,515	100%
2007-2008	20.50%	33.50%	23.75%	31,043,657	100%
2006-2007	19.75%	32.00%	22.50%	26,659,875	100%

Note 18: **Expenditures and Expenses in Excess of Budget and Deficit Fund Balances/Net Assets**

Expenditures and operating/non-operating expenses were in excess of budget in the following funds, an apparent violation of Nevada Revised Statues (NRS) 354.626:

	<u>Final Budget</u>	<u>Expenditures/ Expenses</u>	<u>Variance to Final Budget</u>
<u>Major Proprietary Funds:</u>			
Building Permit	\$ 5,821,250	\$ 6,312,436	\$ (491,186)

The negative variance was due to additional costs related to the City’s early separation program, the year-end accrual of the net OPEB obligation that was underestimated because the final number was not known at the time the final amended budget was approved, and failure to budget for depreciation.

Planning	\$ 2,748,737	\$ 2,902,256	\$ (153,519)
----------	--------------	--------------	--------------

The negative variance was due to PERS buy-outs on the City’s early separation program, as well as to the year-end accrual of the net OPEB obligation that was underestimated because the final number was not known at the time the final amended budget was approved.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 18: **Expenditures and Expenses in Excess of Budget and Deficit Fund Balances/Net Assets** (continued)

	Final Budget	Expenditures/ Expenses	Variance to Final Budget
<u>Nonmajor Governmental Funds:</u>			
Grants	\$ 888,394	\$ 3,058,931	\$ (2,170,537)

This is a newly created fund and most of the activity related to the first-year operations for Phase II of the Community Assistance Center. Its non-inclusion in the amended budget was an oversight. The funding source is from solely federal, state, and private grants, as well as contributions from the County.

Streets	\$ 14,499,260	\$ 15,038,703	\$ (539,443)
---------	---------------	---------------	--------------

The negative variance was due the acceleration of the streets program, which resulted in FY 2009/10 budgeted costs being expended in FY 2008/09.

Courts	\$ 351,427	\$ 682,110	\$ (330,683)
--------	------------	------------	--------------

The negative variance was due to the unanticipated, additional purchase of computers and software for court personnel.

Redevelopment Agency Extraordinary Maintenance Capital Project	\$ 38,848	\$ 40,716	\$ (1,868)
---	-----------	-----------	------------

The negative variance was due to higher costs for parking gallery modifications required for health and safety concerns.

The following excesses are exempt from reporting under NRS 354.626.1, but are disclosed in compliance with GAAP:

<u>Major Governmental Funds:</u>			
Downtown Events Center Debt	\$ 11,693,644	\$ 12,016,311	\$ (322,667)
Railroad Debt	9,537,793	10,025,240	(487,447)

<u>Nonmajor Governmental Funds:</u>			
City of Reno Debt	\$ 9,810,103	\$ 10,167,856	\$ (357,753)

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 18: **Expenditures and Expenses in Excess of Budget and Deficit Fund Balances/Net Assets** (continued)

The following excess is exempt from reporting under NRS 354.626.2(f), respectively, but is disclosed in compliance with GAAP:

	<u>Final Budget</u>	<u>Expenditures/ Expenses</u>	<u>Variance to Final Budget</u>
<b><u>Nonmajor Governmental Fund:</u></b>			
Railroad Capital Projects	\$ 8,871,321	\$ 8,985,120	\$ (113,799)

The following excess is exempt from reporting under NRS 354.626.2(i), respectively, but is disclosed in compliance with GAAP:

<b><u>Nonmajor Governmental Fund:</u></b>			
Community Development Block Grant	\$ 4,377,826	\$ 5,638,332	\$ (1,260,506)

**Deficit Fund Balances/Net Assets**

The Grants Fund had a fund balance deficit of (\$173,919), which will be eliminated in FY 2009/10 from additional private grant funding and/or operating transfers from the General Fund.

The Emergency Operations Fund had a fund balance deficit of (\$395,304), which will be reduced or eliminated in FY 2009/10 by a transfer from other funds that experienced flood event-related costs borne by this fund now that all FEMA reimbursements have been received.

The Railroad Capital Project Fund had a fund balance deficit of (\$628,337), which will be reduced or eliminated in FY 2009/10 from miscellaneous capital project funding sources.

The Special Assessment Districts Capital Projects Fund had a fund balance deficit of (\$2,037,243), which will be reduced in FY 2009/10 by fund transfers from the Streets Fund.

The Community Assistance Center Capital Project Fund had a fund balance deficit of (\$2,370,385), which will be reduced by future commitments for funding made by Washoe County, the City of Sparks, and the sale of property.

The Dispatch Enterprise Fund had a net assets deficit of (\$283,806), which will be eliminated in FY 2009/10 from an operating transfer from the Communications and Technology Fund.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 18: **Expenditures and Expenses in Excess of Budget and Deficit Fund Balances/Net Assets** (continued)

**Deficit Fund Balances/Net Assets** (continued)

The Building Enterprise Fund had a net assets deficit of (\$1,284,313), which will be eliminated in FY 2009/10 through a transfer from the General Fund.

The Planning Enterprise Fund had a net assets deficit of (\$2,320,037), which will be eliminated in FY 2009/10 through a transfer from the General Fund.

The Self-Funded Worker's Compensation Internal Service Fund had a net assets deficit of (\$43,217,833). The deficit is expected to remain and perhaps grow until such time as the State Legislature provides a solution to the heart/lung liability issue.

Note 19: **Special Ad Valorem Capital Projects Fund**

Pursuant to NRS 354.598155 the Special Ad Valorem Capital Projects Fund expended \$1,218,208 on the following projects:

Administration	\$ 229
Sidewalk repair	72,980
Street lighting	9,192
Public Works capital projects	1,072,222
Parks equipment	5,200
Underground storage tank monitoring	33,007
Art in public places	700
Ginsberg clock storage	2,516
2008 Traffic calming	<u>22,162</u>
Total	<u>\$ 1,218,208</u>

Note 20: **Conduit Debt Obligations**

During prior years the City issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities and for the equipment therein which is deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities and equipment transfers to the private-sector entity served by the bond issuance. The bonds, issued pursuant to NRS Chapter 268, are not obligations of the City of Reno, nor shall they ever constitute a debt of the City.

## CITY OF RENO, NEVADA

### Notes to Financial Statements June 30, 2009

Note 20: **Conduit Debt Obligations** (continued)

On April 6, 2008, the City of Reno issued \$94,030,000 of insured health facility revenue bonds (Series 2007A) for Catholic Healthcare West. The bonds were used to defease the Series 1998A & B bonds, as well as the Series 2003A & B bonds that were issued to fund the Saint Mary's Regional Medical Center project. The amount of Series 2007A bonds outstanding as of June 30, 2009, is \$94,030,000. The bonds are not obligations of the City of Reno, nor shall they ever constitute a debt of the City.

On June 29, 2004, the City of Reno issued \$200,000,000 of insured hospital revenue bonds (Series 2004A for \$34,350,000, Series 2004B for \$65,650,000, and Series 2004C for \$100,000,000) for the Washoe Medical Center project (now known as Renown Regional Medical Center). The amount of 2004A and 2004C bonds outstanding as of June 30, 2009, is \$123,150,000. The 2004B bonds were refunded by the Series 2009A and Series 2009B bond. The bonds are not obligations of the City of Reno, nor shall they ever constitute a debt of the City.

On February 10, 2005, the City of Reno issued \$96,025,000 (Series 2005A and 2005B) of insured variable rate hospital revenue bonds and \$3,975,000 of insured hospital revenue bonds (Series 2005C) for the Washoe Medical Center project (now known as Renown Regional Medical Center). The amount of bonds outstanding as of June 30, 2009, is \$94,725,000 and \$1,045,000, respectively. The bonds are not obligations of the City of Reno, nor shall they ever constitute a debt of the City.

On September 19, 2006, the City of Reno issued \$90,000,000 of insured hospital revenue bonds (Series 2006A for \$44,000,000, Series 2006B for \$44,000,000, and Series C for \$2,000,000) for the Washoe Medical Center project (now known as Renown Regional Medical Center). The Series 2006A and 2006B bond were refunded with the Series 2008A and 2008B bonds discussed below. The amount of 2006C bonds outstanding as of June 30, 2009, is \$1,225,000. The bonds are not obligations of the City of Reno, nor shall they ever constitute a debt of the City.

On April 11, 2007, the City of Reno issued \$120,000,000 of insured hospital revenue bonds (Series 2007A) for the Renown Regional Medical Center project. The amount of bonds outstanding as of June 30, 2009, is \$120,000,000. The bonds are not obligations of the City of Reno, nor shall they ever constitute a debt of the City.

On June 26, 2008, the City of Reno issued \$86,800,000 (Series 2008A and 2008B) of insured hospital revenue refunding bonds (variable rate bonds) that were used to refund the Series 2006A and 2006B bonds. The amount of the bonds outstanding as of June 30, 2009, is \$86,800,000. The bonds are not obligations of the City of Reno, nor shall they ever constitute a debt of the City.

**CITY OF RENO, NEVADA**

Notes to Financial Statements  
June 30, 2009

Note 20: **Conduit Debt Obligations** (continued)

On January 15, 2009, the City of Reno issued \$63,600,000 (Series 2009A for \$42,400,000 and Series 2009B for \$21,200,000) of insured hospital revenue refunding bonds (variable rate bonds) that were used to refund the Series 2004B bonds. The amount of the bonds outstanding as of June 30, 2009, is \$63,305,000. The bonds are not obligations of the City of Reno, nor shall they ever constitute a debt of the City.

Note 21: **Special Assessment Debt With No Government Commitment**

On April 23, 2002, the City of Reno issued \$4,135,622 of 2000 Special Assessment District No. 2 bonds for the Sierra Corporate Center Project. The bonds do not represent a debt of the City, and the City will not be liable thereon except for the pledge of the special assessment revenue collected on behalf of the 2000 Special Assessment District No. 2 and the amount deposited in the bond reserve fund on behalf of the district. The amount of bonds outstanding at June 30, 2009, is \$2,565,000.

On April 23, 2003, the City of Reno issued \$18,000,000 of 2002 Special Assessment District No. 4 bonds for the Somersett Parkway Project. The bonds do not represent a debt of the City, and the City will not be liable thereon except for the pledge of the special assessment revenue collected on behalf of the 2002 Special Assessment District No. 4 and the amount deposited in the bond reserve fund on behalf of the district. The amount of bonds outstanding at June 30, 2009, is \$13,095,000.

On April 28, 2004, the City of Reno issued \$7,100,000 of 2002 Special Assessment District No. 3 bonds for the Double R Boulevard Project. The bonds do not represent a debt of the City, and the City will not be liable thereon except for the pledge of the special assessment revenue collected on behalf of the 2002 Special Assessment District No. 3 and the amount deposited in the bond reserve fund on behalf of the district. The amount of bonds outstanding at June 30, 2009, is \$5,935,000.

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

**REQUIRED SUPPLEMENTARY  
INFORMATION**

---



**CITY OF RENO, NEVADA**

Required Supplementary Information  
June 30, 2009

Other Post-Employment Benefits Plan  
Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
July 1, 2007	\$ --	\$ 117,483,434	0.00%	\$ 117,483,434	\$ 124,530,962	94.34%
July 1, 2008*	--	126,497,692	0.00%	126,497,692	123,307,077	102.59%

\* Rolled forward as of the July 1, 2007 valuation

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

**NONMAJOR GOVERNMENTAL FUNDS**

---



**CITY OF RENO, NEVADA**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and Investments	\$ 8,534,663	\$ 15,330,482	\$ 16,154,430	\$ 40,019,575
Receivables:				
Accounts	188,107	78,821	110,616	377,544
Accrued interest	55,312	35,341	64,051	154,704
From other governments	2,699,390	535,124	5,414,956	8,649,470
Delinquent taxes	376,078	275,058	--	651,136
Long-term	850,791	--	--	850,791
Due from other funds	890,539	--	--	890,539
Inventories	128,657	--	--	128,657
Prepaid items	12,110	--	--	12,110
Property held for resale	8,540,213	--	--	8,540,213
Other assets	--	--	440,000	440,000
<b>TOTAL ASSETS</b>	<u><u>\$ 22,275,860</u></u>	<u><u>\$ 16,254,826</u></u>	<u><u>\$ 22,184,053</u></u>	<u><u>\$ 60,714,739</u></u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,503,959	\$ 233,040	\$ 74,809	\$ 1,811,808
Accrued salaries and benefits	506,867	--	--	506,867
Contracts and retained percentage payable	3,585,829	--	574,347	4,160,176
Accrued interest payable	246	--	434	680
Due to other funds	705,000	--	10,455,539	11,160,539
Due to other governments	3,400,000	--	--	3,400,000
Deposits	393,717	--	8,812	402,529
Deferred taxes	376,078	275,042	--	651,120
Deferred revenue	868,802	--	440,000	1,308,802
<b>TOTAL LIABILITIES</b>	<u><u>11,340,498</u></u>	<u><u>508,082</u></u>	<u><u>11,553,941</u></u>	<u><u>23,402,521</u></u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	129,972	--	620,261	750,233
Capital projects	--	--	8,998,027	8,998,027
Park capital outlay	--	--	5,363,719	5,363,719
Future signalization	--	--	517,161	517,161
Debt service	--	15,746,744	--	15,746,744
Inventories	128,657	--	--	128,657
Prepaid items	12,110	--	--	12,110
Property held for resale	8,540,213	--	--	8,540,213
Court assessments	97,067	--	--	97,067
Other programs	853,434	--	166,909	1,020,343
Unreserved, reported in:				
Special revenue funds	1,173,909	--	--	1,173,909
Capital projects funds	--	--	(5,035,965)	(5,035,965)
<b>TOTAL FUND BALANCES</b>	<u><u>10,935,362</u></u>	<u><u>15,746,744</u></u>	<u><u>10,630,112</u></u>	<u><u>37,312,218</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 22,275,860</u></u>	<u><u>\$ 16,254,826</u></u>	<u><u>\$ 22,184,053</u></u>	<u><u>\$ 60,714,739</u></u>

**CITY OF RENO, NEVADA**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<b>REVENUES</b>				
Taxes	\$ 15,714,194	\$ 9,457,277	\$ 671,571	\$ 25,843,042
Fees, licenses and permits	89,874	--	--	89,874
Intergovernmental	4,025,956	2,087,240	1,303,597	7,416,793
Grants and contributions	9,832,508	--	6,789,232	16,621,740
Charges for services	4,066,407	--	--	4,066,407
Fines and forfeitures	38,143	--	--	38,143
Interest	301,387	239,736	354,530	895,653
Miscellaneous	4,899,212	1,900,561	842,481	7,642,254
<b>TOTAL REVENUES</b>	<b>38,967,681</b>	<b>13,684,814</b>	<b>9,961,411</b>	<b>62,613,906</b>
<b>EXPENDITURES</b>				
Current:				
General government	541,344	--	--	541,344
Judicial	682,110	--	--	682,110
Public works	10,373,972	--	645,745	11,019,717
Planning and community development	8,620,137	--	--	8,620,137
Culture and recreation	17,161,340	--	85,123	17,246,463
Urban redevelopment	3,561,884	--	--	3,561,884
Capital outlay	4,835,759	--	22,887,600	27,723,359
Debt Service:				
Principal	51,000	7,745,000	--	7,796,000
Interest	26,126	5,072,695	--	5,098,821
Bond issue costs	--	1,088,402	--	1,088,402
Fiscal charges	--	112,686	--	112,686
<b>TOTAL EXPENDITURES</b>	<b>45,853,672</b>	<b>14,018,783</b>	<b>23,618,468</b>	<b>83,490,923</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,885,991)</b>	<b>(333,969)</b>	<b>(13,657,057)</b>	<b>(20,877,017)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	--	32,506,990	5,529,660	38,036,650
Premium on bonds issued	--	653,362	--	653,362
Payments to others	--	(30,731,864)	--	(30,731,864)
Sale of capital assets	5,500	--	50,000	55,500
Transfers from other funds	14,374,317	1,828,801	3,347,881	19,550,999
Transfers to other funds	(8,854,073)	--	(5,047,838)	(13,901,911)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,525,744</b>	<b>4,257,289</b>	<b>3,879,703</b>	<b>13,662,736</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,360,247)</b>	<b>3,923,320</b>	<b>(9,777,354)</b>	<b>(7,214,281)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>11,822,776</b>	<b>11,807,805</b>	<b>20,700,141</b>	<b>44,330,722</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>472,833</b>	<b>15,619</b>	<b>(292,675)</b>	<b>195,777</b>
<b>FUND BALANCES, BEGINNING, AS RESTATED</b>	<b>12,295,609</b>	<b>11,823,424</b>	<b>20,407,466</b>	<b>44,526,499</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 10,935,362</b>	<b>\$ 15,746,744</b>	<b>\$ 10,630,112</b>	<b>\$ 37,312,218</b>

---

# **SPECIAL REVENUE FUNDS**

---

**– SPECIAL REVENUE FUNDS –**

**To account for specific revenues that are restricted to expenditures for particular purposes.**

## **NONMAJOR SPECIAL REVENUE FUNDS**

Community Development Block Grant Fund – to account for Community Development Block Grants and HOME Grants received for the purpose of providing better housing, improved living conditions, and economic opportunities for persons of low and moderate income. The Community Development Block Grant Administration Fund was merged into this fund in FY 2009.

Grants Fund – to account for non-Community Development Block Grant related federal grants, state grants, and private grants received to fund particular City programs.

Streets Fund – to account for revenue resources restricted for expenditures on streets.

Events Center Fund – to account for the City of Reno's share of the net operating revenues, or portion of the net operating loss, for the National Bowling Stadium and the multi-purpose Downtown Events Center facility per an Interlocal Agreement with the Reno-Sparks Convention and Visitors Authority.

Room Tax Fund – to account for a one percent City tax imposed upon the gross income from room rentals within the City. By ordinance, revenues provided by this tax must be used one-half for developing, building, maintaining, expanding or repairing City parks and other recreation facilities, and one-half for City improvements or programs, the primary purpose of which is the improvement or betterment of the City as a final destination for visitors and tourism.

Parks and Recreation Fund – to account for the operations of the Parks/Recreation and Community Services Department. This includes all activities necessary to provide recreational services including swimming pool operations.

Special Events Fund – to account for revenues and costs to the City related to special events sponsored by outside parties.

Stabilization Fund – to account for resources for future stabilization of City finances.

Emergency Operations Fund – to account for the expenditures incurred as a result of unforeseen acts of nature, violence, terrorism, or other events that require the City to enact its emergency operations plan due to the declaration of a disaster, as well as any federal, state or other revenues requested and received as reimbursement of the expenditures incurred as a result of the unforeseen act or event.

Courts Fund – to account for the collection of court administrative assessment fees to be used to improve the courts per NRS §176.059, and to account for the collection and expenditure of the Municipal Court collection fees as allowed by NRS §176.064 and construction fees as allowed by NRS §176.0611.

Drug Forfeiture Fund – to account for revenue sources restricted for expenditures to enforce the provisions of Nevada Revised Statutes regarding controlled substances and for law enforcement uses as specified by the Department of Justice.

Redevelopment Agency Fund – to account for the operations of the Redevelopment Agency which has been combined with the City of Reno for financial statement purposes.

**CITY OF RENO, NEVADA**

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2009

	Community Development Block Grant Fund	Grants Fund	Street Fund	Events Center Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and Investments	\$ 213,439	\$ 78,374	\$ 2,658,169	\$ 839
Receivables:				
Accounts	--	--	86,888	--
Accrued interest	--	--	18,091	3
Delinquent taxes	--	--	224,454	--
Due from other governments	678,883	481,410	956,908	--
Long-term	--	--	--	--
Due from other funds	--	--	705,000	--
Inventories	--	--	128,657	--
Prepaid items	--	--	--	--
Property held for resale	--	--	--	--
<b>TOTAL ASSETS</b>	<u>\$ 892,322</u>	<u>\$ 559,784</u>	<u>\$ 4,778,167</u>	<u>\$ 842</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 310,741	\$ 721,740	\$ 30,855	\$ --
Accrued salaries and benefits	10,247	1,963	122,230	--
Contracts and retained percentage payable	5,643	--	3,580,186	--
Accrued interest payable	--	--	246	--
Due to other funds	305,000	--	--	--
Due to other governments	--	--	--	--
Deposits	3,500	10,000	110,988	--
Deferred taxes	--	--	224,454	--
Deferred revenue	--	--	--	--
<b>TOTAL LIABILITIES</b>	<u>635,131</u>	<u>733,703</u>	<u>4,068,959</u>	<u>--</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	--	--	--	--
Inventories	--	--	128,657	--
Prepaid items	--	--	--	--
Property held for resale	--	--	--	--
Court assessments	--	--	--	--
Other programs	257,191	--	--	--
Unreserved	--	(173,919)	580,551	842
<b>TOTAL FUND BALANCES</b>	<u>257,191</u>	<u>(173,919)</u>	<u>709,208</u>	<u>842</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 892,322</u>	<u>\$ 559,784</u>	<u>\$ 4,778,167</u>	<u>\$ 842</u>

continued

**CITY OF RENO, NEVADA**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2009

	<u>Room Tax Fund</u>	<u>Parks and Recreation Fund</u>	<u>Special Events Fund</u>	<u>Stabilization Fund</u>	<u>Emergency Operations Fund</u>
<b>ASSETS</b>					
Cash and Investments	\$ 91,780	\$ 2,265,815	\$ 215,404	\$ 2,338,236	\$ 4,696
Receivables:					
Accounts	--	23,700	15,052	--	--
Accrued interest	1,499	4,522	873	17,782	--
Delinquent taxes	--	--	--	--	--
Due from other governments	160,401	30,992	--	--	--
Long-term	--	--	--	--	--
Due from other funds	--	--	--	185,539	--
Inventories	--	--	--	--	--
Prepaid items	--	--	--	--	--
Property held for resale	--	--	--	--	--
<b>TOTAL ASSETS</b>	<u>\$ 253,680</u>	<u>\$ 2,325,029</u>	<u>\$ 231,329</u>	<u>\$ 2,541,557</u>	<u>\$ 4,696</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 44,383	\$ 230,658	\$ 255	\$ --	\$ --
Accrued salaries and benefits	--	336,799	3,314	--	--
Contracts and retained percentage payable	--	--	--	--	--
Accrued interest payable	--	--	--	--	--
Due to other funds	--	--	--	--	400,000
Due to other governments	--	--	--	--	--
Deposits	--	38,500	--	--	--
Deferred taxes	--	--	--	--	--
Deferred revenue	--	18,011	--	--	--
<b>TOTAL LIABILITIES</b>	<u>44,383</u>	<u>623,968</u>	<u>3,569</u>	<u>--</u>	<u>400,000</u>
<b>FUND BALANCES</b>					
Reserved for:					
Encumbrances	--	5,834	--	--	--
Inventories	--	--	--	--	--
Prepaid items	--	--	--	--	--
Property held for resale	--	--	--	--	--
Court assessments	--	--	--	--	--
Other programs	--	57,911	--	--	--
Unreserved	209,297	1,637,316	227,760	2,541,557	(395,304)
<b>TOTAL FUND BALANCES</b>	<u>209,297</u>	<u>1,701,061</u>	<u>227,760</u>	<u>2,541,557</u>	<u>(395,304)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 253,680</u>	<u>\$ 2,325,029</u>	<u>\$ 231,329</u>	<u>\$ 2,541,557</u>	<u>\$ 4,696</u>

continued

**CITY OF RENO, NEVADA**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2009

	Courts Fund	Drug Forfeiture Fund	Redevelopment Agency Fund	Total
<b>ASSETS</b>				
Cash and Investments	\$ 213,877	\$ 312,798	\$ 141,236	\$ 8,534,663
Receivables:				
Accounts	--	--	62,467	188,107
Accrued interest	3,218	1,606	7,718	55,312
Delinquent taxes	--	--	151,624	376,078
Due from other governments	11,444	223,928	155,424	2,699,390
Long-term	--	--	850,791	850,791
Due from other funds	--	--	--	890,539
Inventories	--	--	--	128,657
Prepaid items	--	--	12,110	12,110
Property held for resale	--	--	8,540,213	8,540,213
<b>TOTAL ASSETS</b>	<b>\$ 228,539</b>	<b>\$ 538,332</b>	<b>\$ 9,921,583</b>	<b>\$ 22,275,860</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 128,172	\$ --	\$ 37,155	\$ 1,503,959
Accrued salaries and benefits	--	--	32,314	506,867
Contracts and retained percentage payable	--	--	--	3,585,829
Accrued interest payable	--	--	--	246
Due to other funds	--	--	--	705,000
Due to other governments	--	--	3,400,000	3,400,000
Deposits	--	--	230,729	393,717
Deferred taxes	--	--	151,624	376,078
Deferred revenue	--	--	850,791	868,802
<b>TOTAL LIABILITIES</b>	<b>128,172</b>	<b>--</b>	<b>4,702,613</b>	<b>11,340,498</b>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	3,300	--	120,838	129,972
Inventories	--	--	--	128,657
Prepaid items	--	--	12,110	12,110
Property held for resale	--	--	8,540,213	8,540,213
Court assessments	97,067	--	--	97,067
Other programs	--	538,332	--	853,434
Unreserved	--	--	(3,454,191)	1,173,909
<b>TOTAL FUND BALANCES</b>	<b>100,367</b>	<b>538,332</b>	<b>5,218,970</b>	<b>10,935,362</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 228,539</b>	<b>\$ 538,332</b>	<b>\$ 9,921,583</b>	<b>\$ 22,275,860</b>

**CITY OF RENO, NEVADA**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2009

	Community Development Block Grant Fund	Grants Fund	Street Fund	Events Center Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ --	\$ --	\$ 11,413,408	\$ --
Room taxes	--	--	--	--
Licenses and permits	--	--	89,874	--
Intergovernmental	--	--	3,897,932	--
Grants and contributions	5,345,009	1,714,585	--	--
Charges for services	--	--	--	--
Fines and forfeits	--	--	38,143	--
Investment earnings	--	--	82,973	976
Interest earnings, other	391	--	--	--
Reimbursement & restitutions	325	16,180	653,832	--
Miscellaneous	434,596	1,156,247	36,722	--
TOTAL REVENUES	<u>5,780,321</u>	<u>2,887,012</u>	<u>16,212,884</u>	<u>976</u>
EXPENDITURES				
Current:				
General government	--	--	--	239,614
Judicial	--	--	--	--
Public works	--	--	10,373,972	--
Planning and community development	5,561,206	3,058,931	--	--
Culture and recreation	--	--	--	--
Urban redevelopment	--	--	--	--
Capital outlay	--	--	4,664,731	--
Debt Service:				
Principal	51,000	--	--	--
Interest	26,126	--	--	--
TOTAL EXPENDITURES	<u>5,638,332</u>	<u>3,058,931</u>	<u>15,038,703</u>	<u>239,614</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>141,989</u>	<u>(171,919)</u>	<u>1,174,181</u>	<u>(238,638)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	--	--	--	--
Transfers in	2,000	--	--	164,450
Transfers out	(457,900)	(2,000)	(475,931)	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>(455,900)</u>	<u>(2,000)</u>	<u>(475,931)</u>	<u>164,450</u>
NET CHANGE IN FUND BALANCES	<u>(313,911)</u>	<u>(173,919)</u>	<u>698,250</u>	<u>(74,188)</u>
FUND BALANCES, BEGINNING OF YEAR	140,268	--	1	74,817
PRIOR PERIOD ADJUSTMENT	430,834	--	10,957	213
FUND BALANCES, BEGINNING, AS RESTATED	<u>571,102</u>	<u>--</u>	<u>10,958</u>	<u>75,030</u>
FUND BALANCES, ENDING	<u>\$ 257,191</u>	<u>\$ (173,919)</u>	<u>\$ 709,208</u>	<u>\$ 842</u>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2009

	Room Tax Fund	Parks and Recreation Fund	Special Events Fund	Stabilization Fund	Emergency Operations Fund
<b>REVENUES</b>					
Taxes:					
Ad valorem taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Room taxes	1,868,063	--	--	--	--
Licenses and permits	--	--	--	--	--
Intergovernmental	--	--	--	--	--
Grants and contributions	--	118,535	--	--	145,488
Charges for services	--	4,066,407	--	--	--
Fines and forfeits	--	--	--	--	--
Investment earnings	8,465	10,568	3,118	117,179	--
Interest earnings, other	--	--	--	--	--
Reimbursement & restitutions	--	9,076	509,073	--	--
Miscellaneous	--	227,996	--	--	--
<b>TOTAL REVENUES</b>	<u>1,876,528</u>	<u>4,432,582</u>	<u>512,191</u>	<u>117,179</u>	<u>145,488</u>
<b>EXPENDITURES</b>					
Current:					
General government	301,730	--	--	--	--
Judicial	--	--	--	--	--
Public works	--	--	--	--	--
Planning and community development	--	--	--	--	--
Culture and recreation	--	16,162,070	999,270	--	--
Urban redevelopment	--	--	--	--	--
Capital outlay	--	171,028	--	--	--
Debt Service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
<b>TOTAL EXPENDITURES</b>	<u>301,730</u>	<u>16,333,098</u>	<u>999,270</u>	<u>--</u>	<u>--</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,574,798</u>	<u>(11,900,516)</u>	<u>(487,079)</u>	<u>117,179</u>	<u>145,488</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	--	5,500	--	--	--
Transfers in	--	13,588,277	595,590	--	--
Transfers out	(1,753,634)	--	(27,506)	(3,731,386)	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,753,634)</u>	<u>13,593,777</u>	<u>568,084</u>	<u>(3,731,386)</u>	<u>--</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(178,836)</u>	<u>1,693,261</u>	<u>81,005</u>	<u>(3,614,207)</u>	<u>145,488</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	387,112	6,868	146,203	6,140,363	(540,792)
<b>PRIOR PERIOD ADJUSTMENT</b>	1,021	932	552	15,401	--
<b>FUND BALANCES, BEGINNING, AS RESTATED</b>	<u>388,133</u>	<u>7,800</u>	<u>146,755</u>	<u>6,155,764</u>	<u>(540,792)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 209,297</u>	<u>\$ 1,701,061</u>	<u>\$ 227,760</u>	<u>\$ 2,541,557</u>	<u>\$ (395,304)</u>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2009

	Courts Fund	Drug Forfeiture Fund	Redevelopment Agency Fund	Total
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ --	\$ --	\$ 2,432,723	\$ 13,846,131
Room taxes	--	--	--	1,868,063
Licenses and permits	--	--	--	89,874
Intergovernmental	--	--	128,024	4,025,956
Grants and contributions	--	--	2,508,891	9,832,508
Charges for services	--	--	--	4,066,407
Fines and forfeits	--	--	--	38,143
Investment earnings	25,002	8,671	44,044	300,996
Interest earnings, other	--	--	--	391
Reimbursement & restitutions	--	--	188,392	1,376,878
Miscellaneous	687,158	370,525	609,090	3,522,334
<b>TOTAL REVENUES</b>	<b>712,160</b>	<b>379,196</b>	<b>5,911,164</b>	<b>38,967,681</b>
<b>EXPENDITURES</b>				
Current:				
General government	--	--	--	541,344
Judicial	682,110	--	--	682,110
Public works	--	--	--	10,373,972
Planning and community development	--	--	--	8,620,137
Culture and recreation	--	--	--	17,161,340
Urban redevelopment	--	--	3,561,884	3,561,884
Capital outlay	--	--	--	4,835,759
Debt Service:				
Principal	--	--	--	51,000
Interest	--	--	--	26,126
<b>TOTAL EXPENDITURES</b>	<b>682,110</b>	<b>--</b>	<b>3,561,884</b>	<b>45,853,672</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>30,050</b>	<b>379,196</b>	<b>2,349,280</b>	<b>(6,885,991)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	--	--	--	5,500
Transfers in	--	--	24,000	14,374,317
Transfers out	(1,492,693)	(129,838)	(783,185)	(8,854,073)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,492,693)</b>	<b>(129,838)</b>	<b>(759,185)</b>	<b>5,525,744</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,462,643)</b>	<b>249,358</b>	<b>1,590,095</b>	<b>(1,360,247)</b>
FUND BALANCES, BEGINNING OF YEAR	1,557,129	288,144	3,622,663	11,822,776
PRIOR PERIOD ADJUSTMENT	5,881	830	6,212	472,833
FUND BALANCES, BEGINNING, AS RESTATED	1,563,010	288,974	3,628,875	12,295,609
<b>FUND BALANCES, ENDING</b>	<b>\$ 100,367</b>	<b>\$ 538,332</b>	<b>\$ 5,218,970</b>	<b>\$ 10,935,362</b>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Community Development Block Grant Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental:				
Federal grants	\$ 3,625,584	\$ 3,666,039	\$ 3,631,618	\$ (34,421)
State grants	--	775,411	1,713,391	937,980
Total Intergovernmental	<u>3,625,584</u>	<u>4,441,450</u>	<u>5,345,009</u>	<u>903,559</u>
Miscellaneous:				
Interest earnings, other	6,000	1,000	391	(609)
Reimbursements and restitution	--	--	325	325
Loan payments	700,000	400,000	434,596	34,596
Other	15,000	60,425	--	(60,425)
Total Miscellaneous	<u>721,000</u>	<u>461,425</u>	<u>435,312</u>	<u>(26,113)</u>
<b>TOTAL REVENUES</b>	<u>4,346,584</u>	<u>4,902,875</u>	<u>5,780,321</u>	<u>877,446</u>
<b>EXPENDITURES</b>				
Current:				
Planning and Community Development:				
Salaries and wages	285,659	285,659	264,865	20,794
Employee benefits	125,021	125,021	119,069	5,952
Services and supplies	249,994	2,144,410	413,718	1,730,692
Community projects	2,684,710	1,745,610	4,763,554	(3,017,944)
Total Planning and Community Development	<u>3,345,384</u>	<u>4,300,700</u>	<u>5,561,206</u>	<u>(1,260,506)</u>
Debt Service:				
Principal	39,000	51,000	51,000	--
Interest	26,825	26,126	26,126	--
<b>TOTAL EXPENDITURES</b>	<u>3,411,209</u>	<u>4,377,826</u>	<u>5,638,332</u>	<u>(1,260,506)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>935,375</u>	<u>525,049</u>	<u>141,989</u>	<u>(383,060)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	1,082,722	--	2,000	2,000
Transfers out	(1,616,413)	(469,900)	(457,900)	12,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(533,691)</u>	<u>(469,900)</u>	<u>(455,900)</u>	<u>14,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>401,684</u>	<u>55,149</u>	<u>(313,911)</u>	<u>(369,060)</u>
<b>FUND BALANCE, BEGINNING</b>	147,465	140,268	140,268	--
<b>PRIOR PERIOD ADJUSTMENT</b>	--	--	430,834	430,834
<b>FUND BALANCE, BEGINNING, RESTATED</b>	<u>147,465</u>	<u>140,268</u>	<u>571,102</u>	<u>430,834</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 549,149</u>	<u>\$ 195,417</u>	<u>\$ 257,191</u>	<u>\$ 61,774</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Grants Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Federal grants	\$ --	\$ 21,609	\$ 1,044,054	\$ 1,022,445
Contributions	--	304,069	670,531	366,462
Total Intergovernmental	--	325,678	1,714,585	1,388,907
Miscellaneous:				
Rents and royalties		3,387	11,919	8,532
Reimbursements and restitution		--	16,180	16,180
Other		559,329	1,144,328	584,999
Total Miscellaneous	--	562,716	1,172,427	609,711
<b>TOTAL REVENUES</b>	--	888,394	2,887,012	1,998,618
<b>EXPENDITURES</b>				
Planning & Community Development				
Salaries and wages	--	--	5,460	(5,460)
Employee benefits	--	--	79	(79)
Services and supplies	--	888,394	2,242,073	(1,353,679)
Capital outlay	--	--	811,319	(811,319)
<b>TOTAL EXPENDITURES</b>	--	888,394	3,058,931	(2,170,537)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	--	--	(171,919)	(171,919)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	--	--	(2,000)	(2,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	--	--	(2,000)	(2,000)
<b>NET CHANGE IN FUND BALANCES</b>	--	--	(173,919)	(173,919)
<b>FUND BALANCE, BEGINNING</b>	--	--	--	--
<b>FUND BALANCE, ENDING</b>	\$ --	\$ --	\$ (173,919)	\$ (173,919)

## CITY OF RENO, NEVADA

### Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Street Fund For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 11,213,160	\$ 11,213,160	\$ 11,413,408	\$ 200,248
Licenses and permits:				
Excavation permits	100,000	100,000	89,874	(10,126)
Intergovernmental:				
Motor vehicle fuel tax	3,498,901	3,588,075	3,848,659	260,584
County road tax	49,200	49,200	49,273	73
Total intergovernmental	3,548,101	3,637,275	3,897,932	260,657
Grants and contributions:				
Street patching penalties	50,000	50,000	38,143	(11,857)
Miscellaneous:				
Investment earnings	50,000	40,000	82,973	42,973
Reimbursements and restitution	--	634,959	653,832	18,873
Other	--	27,527	36,722	9,195
Total miscellaneous	50,000	702,486	773,527	71,041
<b>TOTAL REVENUES</b>	<b>14,961,261</b>	<b>15,702,921</b>	<b>16,212,884</b>	<b>509,963</b>
<b>EXPENDITURES</b>				
Current:				
Salaries and wages	3,066,892	3,025,156	2,939,163	85,993
Employee benefits	1,398,537	1,313,129	1,309,881	3,248
Services and supplies	5,006,897	4,878,415	6,124,928	(1,246,513)
Capital Outlay	6,110,000	5,282,560	4,664,731	617,829
<b>TOTAL EXPENDITURES</b>	<b>15,582,326</b>	<b>14,499,260</b>	<b>15,038,703</b>	<b>(539,443)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(621,065)</b>	<b>1,203,661</b>	<b>1,174,181</b>	<b>(29,480)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,999,033	--	--	--
Transfers out	(1,270,373)	(1,128,068)	(475,931)	652,137
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>728,660</b>	<b>(1,128,068)</b>	<b>(475,931)</b>	<b>652,137</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>107,595</b>	<b>75,593</b>	<b>698,250</b>	<b>622,657</b>
<b>FUND BALANCE, BEGINNING PRIOR PERIOD ADJUSTMENT</b>	<b>21,740</b>	<b>1</b>	<b>1</b>	<b>--</b>
<b>FUND BALANCE, BEGINNING, RESTATED</b>	<b>21,740</b>	<b>1</b>	<b>10,957</b>	<b>10,957</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 129,335</b>	<b>\$ 75,594</b>	<b>\$ 709,208</b>	<b>\$ 633,614</b>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Events Center Fund  
 For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous:				
Investment earnings	\$ 10,000	\$ 2,000	\$ 976	\$ (1,024)
TOTAL REVENUES	<u>10,000</u>	<u>2,000</u>	<u>976</u>	<u>(1,024)</u>
EXPENDITURES				
Current:				
General Government:				
Services and supplies	601,525	541,000	239,614	301,386
TOTAL EXPENDITURES	<u>601,525</u>	<u>541,000</u>	<u>239,614</u>	<u>301,386</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(591,525)</u>	<u>(539,000)</u>	<u>(238,638)</u>	<u>300,362</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	584,699	584,699	164,450	(420,249)
NET CHANGE IN FUND BALANCES	<u>(6,826)</u>	<u>45,699</u>	<u>(74,188)</u>	<u>(119,887)</u>
FUND BALANCE, BEGINNING	6,826	74,817	74,817	--
PRIOR PERIOD ADJUSTMENT	--	--	213	213
FUND BALANCE, BEGINNING, RESTATED	<u>6,826</u>	<u>74,817</u>	<u>75,030</u>	<u>213</u>
FUND BALANCE, ENDING	<u>\$ --</u>	<u>\$ 120,516</u>	<u>\$ 842</u>	<u>\$ (119,674)</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Room Tax Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Room Tax	\$ 2,260,000	\$ 1,880,000	\$ 1,868,063	\$ (11,937)
Miscellaneous:				
Investment earnings	7,500	6,000	8,465	2,465
Total Miscellaneous	7,500	6,000	8,465	2,465
TOTAL REVENUES	2,267,500	1,886,000	1,876,528	(9,472)
EXPENDITURES				
Current:				
General Government:				
Tourism:				
Services and supplies	358,854	358,854	301,730	57,124
TOTAL EXPENDITURES	358,854	358,854	301,730	57,124
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,908,646	1,527,146	1,574,798	47,652
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,949,602)	(1,844,236)	(1,753,634)	90,602
NET CHANGE IN FUND BALANCES	(40,956)	(317,090)	(178,836)	138,254
FUND BALANCE, BEGINNING	40,956	387,112	387,112	--
PRIOR PERIOD ADJUSTMENT	--	--	1,021	1,021
FUND BALANCE, BEGINNING, RESTATED	40,956	387,112	388,133	1,021
FUND BALANCE, ENDING	\$ --	\$ 70,022	\$ 209,297	\$ 139,275

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Parks and Recreation Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental:				
Federal grants	\$ 115,258	\$ 44,000	\$ 118,535	\$ 74,535
Charges for Services:				
Engineering charges	60,000	55,000	60,454	5,454
Swimming pool fees	361,185	363,985	376,898	12,913
Recreation facility fees	3,956,733	3,700,160	3,558,069	(142,091)
Parks and recreation fees	78,000	78,000	70,986	(7,014)
Total Charges for Services	4,455,918	4,197,145	4,066,407	(130,738)
Miscellaneous:				
Investment earnings	45,000	2,500	10,568	8,068
Rents and royalties	118,872	117,372	142,238	24,866
Reimbursements and restitution	--	16,080	9,076	(7,004)
Private grants	20,900	20,518	85,798	65,280
Other	16,000	--	(40)	(40)
Total Miscellaneous	200,772	156,470	247,640	91,170
<b>TOTAL REVENUES</b>	<b>4,771,948</b>	<b>4,397,615</b>	<b>4,432,582</b>	<b>34,967</b>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation:				
Salaries and wages	8,621,976	8,265,671	7,880,600	385,071
Employee benefits	2,553,103	2,453,718	2,459,507	(5,789)
Services and supplies	6,407,728	6,506,396	5,821,963	684,433
Capital outlay	394,000	338,400	171,028	167,372
<b>TOTAL EXPENDITURES</b>	<b>17,976,807</b>	<b>17,564,185</b>	<b>16,333,098</b>	<b>1,231,087</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(13,204,859)</b>	<b>(13,166,570)</b>	<b>(11,900,516)</b>	<b>1,266,054</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of general fixed assets	--	5,250	5,500	250
Transfers in	13,501,981	13,678,879	13,588,277	(90,602)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>13,501,981</b>	<b>13,684,129</b>	<b>13,593,777</b>	<b>(90,352)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>297,122</b>	<b>517,559</b>	<b>1,693,261</b>	<b>1,175,702</b>
FUND BALANCE, BEGINNING	320,976	6,869	6,868	(1)
PRIOR PERIOD ADJUSTMENT	--	--	932	932
FUND BALANCE, BEGINNING, RESTATED	320,976	6,869	7,800	931
<b>FUND BALANCE, ENDING</b>	<b>\$ 618,098</b>	<b>\$ 524,428</b>	<b>\$ 1,701,061</b>	<b>\$ 1,176,633</b>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Special Events Fund  
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES				
Miscellaneous:				
Investment earnings	\$ 10,000	\$ 1,500	\$ 3,118	\$ 1,618
Reimbursements and restitution	532,953	532,953	509,073	(23,880)
TOTAL REVENUES	<u>542,953</u>	<u>534,453</u>	<u>512,191</u>	<u>(22,262)</u>
EXPENDITURES				
Current:				
Culture and Recreation:				
Salaries and wages	873,251	871,008	664,557	206,451
Employee benefits	32,285	33,407	33,282	125
Services and supplies	347,879	344,324	301,431	42,893
TOTAL EXPENDITURES	<u>1,253,415</u>	<u>1,248,739</u>	<u>999,270</u>	<u>249,469</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(710,462)</u>	<u>(714,286)</u>	<u>(487,079)</u>	<u>227,207</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	665,820	595,590	595,590	--
Transfers out	<u>(100,000)</u>	<u>(27,506)</u>	<u>(27,506)</u>	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>565,820</u>	<u>568,084</u>	<u>568,084</u>	<u>--</u>
NET CHANGE IN FUND BALANCES	(144,642)	(146,202)	81,005	227,207
FUND BALANCE, BEGINNING	211,632	146,202	146,203	1
PRIOR PERIOD ADJUSTMENT	--	--	552	552
FUND BALANCE, BEGINNING, RESTATED	<u>211,632</u>	<u>146,202</u>	<u>146,755</u>	<u>553</u>
FUND BALANCE, ENDING	<u>\$ 66,990</u>	<u>\$ --</u>	<u>\$ 227,760</u>	<u>\$ 227,760</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Stabilization Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment earnings	\$ 150,000	\$ 110,000	\$ 117,179	\$ 7,179
EXPENDITURES				
Current:				
General Government:				
Services and supplies	4,250,663	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,100,663)	110,000	117,179	7,179
OTHER FINANCING SOURCES (USES):				
Transfers out	(335,786)	(3,731,386)	(3,731,386)	--
NET CHANGE IN FUND BALANCES	(4,436,449)	(3,621,386)	(3,614,207)	7,179
FUND BALANCE, BEGINNING	4,436,449	6,140,363	6,140,363	--
PRIOR PERIOD ADJUSTMENT	--	--	15,401	15,401
FUND BALANCE, BEGINNING, RESTATED	4,436,449	6,140,363	6,155,764	15,401
FUND BALANCE, ENDING	\$ --	\$ 2,518,977	\$ 2,541,557	\$ 22,580

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Emergency Operations Fund  
 For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES				
Intergovernmental:				
Federal grants	\$ --	\$ 540,792	\$ 145,488	\$ (395,304)
TOTAL REVENUES	<u>          --</u>	<u>      540,792</u>	<u>      145,488</u>	<u>      (395,304)</u>
FUND BALANCE, BEGINNING	<u>          --</u>	<u>      (540,792)</u>	<u>      (540,792)</u>	<u>                  --</u>
FUND BALANCE, ENDING	<u>          --</u>	<u>                  --</u>	<u>      (395,304)</u>	<u>      (395,304)</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Courts Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment earnings	\$ 53,000	\$ 28,000	\$ 25,002	\$ (2,998)
Court administrative charges	320,000	250,000	222,534	(27,466)
Court construction fees	310,000	300,000	301,760	1,760
Collection charges	40,000	40,000	48,806	8,806
Other	--	27,000	114,058	87,058
TOTAL REVENUES	<u>723,000</u>	<u>645,000</u>	<u>712,160</u>	<u>67,160</u>
EXPENDITURES				
Current:				
Judicial:				
Services and supplies	974,262	351,427	682,110	(330,683)
TOTAL EXPENDITURES	<u>974,262</u>	<u>351,427</u>	<u>682,110</u>	<u>(330,683)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(251,262)</u>	<u>293,573</u>	<u>30,050</u>	<u>(263,523)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(548,548)</u>	<u>(1,492,780)</u>	<u>(1,492,693)</u>	<u>87</u>
NET CHANGE IN FUND BALANCES	<u>(799,810)</u>	<u>(1,199,207)</u>	<u>(1,462,643)</u>	<u>(263,436)</u>
FUND BALANCE, BEGINNING	1,425,331	1,557,129	1,557,129	--
PRIOR PERIOD ADJUSTMENT	--	--	5,881	5,881
FUND BALANCE, BEGINNING, RESTATED	<u>1,425,331</u>	<u>1,557,129</u>	<u>1,563,010</u>	<u>5,881</u>
FUND BALANCE, ENDING	<u>\$ 625,521</u>	<u>\$ 357,922</u>	<u>\$ 100,367</u>	<u>\$ (257,555)</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Drug Forfeiture Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment earnings	\$ 15,000	\$ 7,500	\$ 8,671	\$ 1,171
Federal drug forfeiture monies	35,000	30,000	29,221	(779)
State drug forfeiture monies	16,000	94,400	341,304	246,904
TOTAL REVENUES	<u>66,000</u>	<u>131,900</u>	<u>379,196</u>	<u>247,296</u>
EXPENDITURES				
Current:				
General government:				
Services and supplies	<u>192,131</u>	<u>290,206</u>	<u>--</u>	<u>290,206</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(126,131)</u>	<u>(158,306)</u>	<u>379,196</u>	<u>537,502</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(3,000)</u>	<u>(129,838)</u>	<u>(129,838)</u>	<u>--</u>
NET CHANGE IN FUND BALANCES	<u>(129,131)</u>	<u>(288,144)</u>	<u>249,358</u>	<u>537,502</u>
FUND BALANCE, BEGINNING	129,131	288,144	288,144	--
PRIOR PERIOD ADJUSTMENT	--	--	830	830
FUND BALANCE, BEGINNING, RESTATED	<u>129,131</u>	<u>288,144</u>	<u>288,974</u>	<u>830</u>
FUND BALANCE, ENDING	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 538,332</u>	<u>\$ 538,332</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Redevelopment Agency Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 4,112,948	\$ 2,782,487	\$ 2,432,723	\$ (349,764)
Intergovernmental:				
State shared revenues:				
Motor vehicle privilege tax	128,024	128,024	128,024	--
Capital contributions	--	--	2,508,891	2,508,891
Miscellaneous:				
Investment earnings	70,000	26,000	44,044	18,044
Rent and royalties	100,000	57,000	77,314	20,314
Reimbursements and restitution	100,000	325,000	188,392	(136,608)
Parking revenues	575,000	575,000	528,670	(46,330)
Other	200,000	3,106	3,106	--
Total Miscellaneous	1,045,000	986,106	841,526	(144,580)
<b>TOTAL REVENUES</b>	<b>5,285,972</b>	<b>3,896,617</b>	<b>5,911,164</b>	<b>2,014,547</b>
<b>EXPENDITURES</b>				
Current:				
Urban Redevelopment:				
Salaries and wages	853,703	930,018	743,627	186,391
Employee benefits	297,371	318,000	298,514	19,486
Services and supplies	1,875,241	2,112,197	2,519,743	(407,546)
Capital outlay	3,226,995	1,000,000	--	1,000,000
<b>TOTAL EXPENDITURES</b>	<b>6,253,310</b>	<b>4,360,215</b>	<b>3,561,884</b>	<b>798,331</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(967,338)</b>	<b>(463,598)</b>	<b>2,349,280</b>	<b>2,812,878</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	24,000	24,000	24,000	--
Transfers out	(783,185)	(783,185)	(783,185)	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(759,185)</b>	<b>(759,185)</b>	<b>(759,185)</b>	<b>--</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,726,523)</b>	<b>(1,222,783)</b>	<b>1,590,095</b>	<b>2,812,878</b>
FUND BALANCE, BEGINNING	1,726,523	1,691,342	3,622,663	1,931,321
PRIOR PERIOD ADJUSTMENT	--	--	6,212	6,212
FUND BALANCE, BEGINNING, RESTATED	1,726,523	1,691,342	3,628,875	1,937,533
FUND BALANCE, ENDING	\$ --	\$ 468,559	\$ 5,218,970	\$ 4,750,411

---

# **DEBT SERVICE FUNDS**

---

**– DEBT SERVICE FUNDS –**

**To account for the accumulation of resources and payment of general obligation bond (and debt supported by dedicated revenue sources) principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies.**

## **DEBT SERVICE FUNDS**

### **Major Debt Service Funds**

Railroad Fund – to accumulate monies for payment of bonds issued for the purpose of constructing and expanding railroad grade projects in the City.

Downtown Events Center Fund – to accumulate monies for payment of bonds issued for the purpose of acquisition and construction of the Downtown Events Center.

Special Assessment Districts Fund – to accumulate monies for payment of special assessment bonds of the City.

### **Nonmajor Debt Service Funds**

City of Reno Fund – to accumulate monies for the payment of general obligation bonds (and debt supported by dedicated revenue sources) of the City that are not required to be accounted for in proprietary funds.

Redevelopment Agency Fund – to accumulate monies for payment of tax allocation bonds and notes of the Redevelopment Agency.

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
**Railroad Fund**  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Room taxes (railroad)	\$ 1,010,000	\$ 775,000	\$ 735,302	\$ (39,698)
Intergovernmental:				
Sales taxes (railroad)	8,350,000	7,915,292	7,080,474	(834,818)
Special assessments	--	--	508,298	508,298
Fines and forfeitures	--	46,000	45,577	(423)
Miscellaneous:				
Investment earnings	410,000	96,908	138,489	41,581
Interest earnings, other	900,000	1,040,000	1,032,142	(7,858)
Other	700,000	38,690	38,730	40
TOTAL REVENUES	<u>11,370,000</u>	<u>9,911,890</u>	<u>9,579,012</u>	<u>(332,878)</u>
EXPENDITURES				
Debt Service:				
Principal	1,250,000	1,250,000	1,800,000	(550,000)
Interest	8,000,021	7,305,144	7,201,666	103,478
Fiscal charges	117,500	982,649	1,023,574	(40,925)
TOTAL EXPENDITURES	<u>9,367,521</u>	<u>9,537,793</u>	<u>10,025,240</u>	<u>(487,447)</u>
NET CHANGE IN FUND BALANCE	<u>2,002,479</u>	<u>374,097</u>	<u>(446,228)</u>	<u>(820,325)</u>
FUND BALANCE, BEGINNING	11,289,721	11,391,633	11,391,633	--
PRIOR PERIOD ADJUSTMENT	--	--	19,703	19,703
FUND BALANCE, BEGINNING, RESTATED	<u>11,289,721</u>	<u>11,391,633</u>	<u>11,411,336</u>	<u>19,703</u>
FUND BALANCE, ENDING	<u>\$ 13,292,200</u>	<u>\$ 11,765,730</u>	<u>\$ 10,965,108</u>	<u>\$ (800,622)</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Downtown Events Center Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Room taxes (Events Center)	\$ 6,370,000	\$ 5,628,343	\$ 5,077,055	\$ (551,288)
Special assessments	90,000	90,000	213,892	123,892
Fines and forfeitures	--	14,000	13,803	(197)
Miscellaneous:				
Investment earnings	225,000	67,330	105,383	38,053
Interest earnings, other	300,000	511,000	510,179	(821)
TOTAL REVENUES	<u>6,985,000</u>	<u>6,310,673</u>	<u>5,920,312</u>	<u>(390,361)</u>
EXPENDITURES				
Debt Service:				
Principal	1,260,000	1,260,000	1,260,000	--
Interest	5,310,343	9,648,430	9,677,577	(29,147)
Fiscal charges	78,000	303,014	596,579	(293,565)
	--	482,200	482,155	45
TOTAL EXPENDITURES	<u>6,648,343</u>	<u>11,693,644</u>	<u>12,016,311</u>	<u>(322,667)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>336,657</u>	<u>(5,382,971)</u>	<u>(6,095,999)</u>	<u>(713,028)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	4,218,023	2,133,023	(2,085,000)
Transfers out	(584,699)	(584,699)	(164,450)	420,249
TOTAL OTHER FINANCING SOURCES (USES)	<u>(584,699)</u>	<u>3,633,324</u>	<u>1,968,573</u>	<u>(1,664,751)</u>
NET CHANGE IN FUND BALANCES	<u>(248,042)</u>	<u>(1,749,647)</u>	<u>(4,127,426)</u>	<u>(2,377,779)</u>
FUND BALANCE, BEGINNING	6,737,838	6,158,111	6,158,111	--
PRIOR PERIOD ADJUSTMENT	--	--	20,396	20,396
FUND BALANCE, BEGINNING, RESTATED	<u>6,737,838</u>	<u>6,158,111</u>	<u>6,178,507</u>	<u>20,396</u>
FUND BALANCE, ENDING	<u>\$ 6,489,796</u>	<u>\$ 4,408,464</u>	<u>\$ 2,051,081</u>	<u>\$ (2,357,383)</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Special Assessment Districts Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 335,000	\$ 335,000	\$ 492,838	\$ 157,838
Fines and forfeitures	--	32,485	36,956	4,471
Miscellaneous:				
Investment earnings	65,600	37,790	117,247	79,457
Interest earnings, other	261,400	329,243	229,676	(99,567)
Other	--	11,345	15,656	4,311
TOTAL REVENUES	<u>662,000</u>	<u>745,863</u>	<u>892,373</u>	<u>146,510</u>
EXPENDITURES				
Debt Service:				
Principal	388,985	399,570	399,344	226
Interest	213,102	234,779	234,251	528
Fiscal charges	204,217	217,611	169,552	48,059
TOTAL EXPENDITURES	<u>806,304</u>	<u>851,960</u>	<u>803,147</u>	<u>48,813</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(144,304)</u>	<u>(106,097)</u>	<u>89,226</u>	<u>195,323</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	--	(120,000)	(120,000)	--
NET CHANGE IN FUND BALANCES	<u>(144,304)</u>	<u>(226,097)</u>	<u>(30,774)</u>	<u>195,323</u>
FUND BALANCE, BEGINNING	2,278,800	3,157,221	3,157,221	--
PRIOR PERIOD ADJUSTMENT	--	--	10,012	10,012
FUND BALANCE, BEGINNING, RESTATED	<u>2,278,800</u>	<u>3,157,221</u>	<u>3,167,233</u>	<u>10,012</u>
FUND BALANCE, ENDING	<u>\$ 2,134,496</u>	<u>\$ 2,931,124</u>	<u>\$ 3,136,459</u>	<u>\$ 205,335</u>

**CITY OF RENO, NEVADA**

Combining Balance Sheet  
Nonmajor Debt Service Funds  
June 30, 2009

	City of Reno Fund	Redevelopment Agency Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments	\$ 12,128,764	\$ 3,201,718	\$ 15,330,482
Receivables:			
Accounts receivable	78,821	--	78,821
Accrued interest	35,341	--	35,341
Delinquent taxes	158,404	116,654	275,058
Due from other governments	434,453	100,671	535,124
<b>TOTAL ASSETS</b>	<u>\$ 12,835,783</u>	<u>\$ 3,419,043</u>	<u>\$ 16,254,826</u>
 <b>LIABILITIES</b>			
Accounts payable	\$ 233,040	\$ --	\$ 233,040
Deferred taxes	158,404	116,638	275,042
<b>TOTAL LIABILITIES</b>	<u>391,444</u>	<u>116,638</u>	<u>508,082</u>
 <b>FUND BALANCES</b>			
Reserved for:			
Debt service	12,444,339	3,302,405	15,746,744
<b>TOTAL FUND BALANCES</b>	<u>12,444,339</u>	<u>3,302,405</u>	<u>15,746,744</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 12,835,783</u>	<u>\$ 3,419,043</u>	<u>\$ 16,254,826</u>

**CITY OF RENO, NEVADA**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Debt Service Funds  
 For the Year Ended June 30, 2009

	<u>City of Reno Fund</u>	<u>Redevelopment Agency Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes:			
Ad valorem taxes	\$ 4,557,434	\$ 4,899,843	\$ 9,457,277
Intergovernmental	2,087,240	--	2,087,240
Investment earnings	225,082	14,654	239,736
Miscellaneous	1,900,561	--	1,900,561
<b>TOTAL REVENUES</b>	<u>8,770,317</u>	<u>4,914,497</u>	<u>13,684,814</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	6,015,000	1,730,000	7,745,000
Interest	3,013,514	2,059,181	5,072,695
Bond issue costs	1,088,402	--	1,088,402
Fiscal charges	50,940	61,746	112,686
<b>TOTAL EXPENDITURES</b>	<u>10,167,856</u>	<u>3,850,927</u>	<u>14,018,783</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,397,539)</u>	<u>1,063,570</u>	<u>(333,969)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	31,656,990	850,000	32,506,990
Premium on bonds issued	653,362	--	653,362
Payments to others	(29,881,864)	(850,000)	(30,731,864)
Transfers in	1,828,801	--	1,828,801
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>4,257,289</u>	<u>--</u>	<u>4,257,289</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,859,750	1,063,570	3,923,320
<b>FUND BALANCES, BEGINNING</b>	9,569,451	2,238,354	11,807,805
<b>PRIOR PERIOD ADJUSTMENT</b>	15,138	481	15,619
<b>FUND BALANCES, ENDING</b>	<u>\$ 12,444,339</u>	<u>\$ 3,302,405</u>	<u>\$ 15,746,744</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 City of Reno Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 4,471,685	\$ 4,471,685	\$ 4,557,434	\$ 85,749
Intergovernmental	--	2,464,452	2,087,240	(377,212)
Miscellaneous:				
Investment earnings	316,000	145,897	225,082	79,185
Rent and royalties	1,995,964	1,945,534	1,900,561	(44,973)
<b>TOTAL REVENUES</b>	<u>6,783,649</u>	<u>9,027,568</u>	<u>8,770,317</u>	<u>(257,251)</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	6,234,600	6,015,000	6,015,000	--
Interest	2,390,629	3,519,053	3,013,514	505,539
Fiscal charges	95,750	70,800	50,940	19,860
Bond issue costs	--	205,250	1,088,402	(883,152)
<b>TOTAL EXPENDITURES</b>	<u>8,720,979</u>	<u>9,810,103</u>	<u>10,167,856</u>	<u>(357,753)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,937,330)</u>	<u>(782,535)</u>	<u>(1,397,539)</u>	<u>(615,004)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	--	34,700,000	31,656,990	(3,043,010)
Premium on bonds issued	--	--	653,362	653,362
Payments to others	--	(17,363,148)	(29,881,864)	(12,518,716)
Transfers in	1,537,191	1,828,801	1,828,801	--
Transfers out	--	(15,786,851)	--	15,786,851
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,537,191</u>	<u>3,378,802</u>	<u>4,257,289</u>	<u>878,487</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(400,139)</u>	<u>2,596,267</u>	<u>2,859,750</u>	<u>263,483</u>
<b>FUND BALANCE, BEGINNING</b>	9,441,734	9,569,451	9,569,451	--
<b>PRIOR PERIOD ADJUSTMENT</b>	--	--	15,138	15,138
<b>FUND BALANCE, BEGINNING, RESTATED</b>	<u>9,441,734</u>	<u>9,569,451</u>	<u>9,584,589</u>	<u>15,138</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 9,041,595</u>	<u>\$ 12,165,718</u>	<u>\$ 12,444,339</u>	<u>\$ 278,621</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Redevelopment Agency Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad valorem	\$ 3,533,587	\$ 4,738,086	\$ 4,899,843	\$ 161,757
Miscellaneous:				
Investment earnings	100,000	25,000	14,654	(10,346)
TOTAL REVENUES	<u>3,633,587</u>	<u>4,763,086</u>	<u>4,914,497</u>	<u>151,411</u>
EXPENDITURES				
Debt Service:				
Principal	1,120,000	1,730,000	1,730,000	--
Interest	1,789,098	2,136,300	2,059,181	77,119
Fiscal charges	10,000	40,000	61,746	(21,746)
TOTAL EXPENDITURES	<u>2,919,098</u>	<u>3,906,300</u>	<u>3,850,927</u>	<u>55,373</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>714,489</u>	<u>856,786</u>	<u>1,063,570</u>	<u>206,784</u>
OTHER FINANCING SOURCES (USES):				
Bonds issued	--	850,000	850,000	--
Payments to others		(850,000)	(850,000)	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
NET CHANGE IN FUND BALANCES	714,489	856,786	1,063,570	206,784
FUND BALANCE, BEGINNING	2,200,502	2,238,354	2,238,354	--
PRIOR PERIOD ADJUSTMENT	--	--	481	481
FUND BALANCE, BEGINNING, RESTATED	<u>2,200,502</u>	<u>2,238,354</u>	<u>2,238,835</u>	<u>481</u>
FUND BALANCE, ENDING	<u>\$ 2,914,991</u>	<u>\$ 3,095,140</u>	<u>\$ 3,302,405</u>	<u>\$ 207,265</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

# **CAPITAL PROJECTS FUNDS**

---

## **- CAPITAL PROJECTS FUNDS -**

**To account for the acquisition and construction of major capital facilities  
other than those financed by proprietary funds.**

## **CAPITAL PROJECT FUNDS**

### **Major Capital Project Funds**

Streets Impact Fund – to account for street capital improvement projects. Resources are provided by street project impact fees and, as applicable, proceeds from street bonds.

Redevelopment Agency Capital Projects Fund – to account for expenses related to the construction of the Triple A Ballpark and the Fire Station Relocation projects.

### **Nonmajor Capital Project Funds**

Public Works Fund – to account for traffic signal, safety improvements, public art maintenance reserves, and other designated capital expenditures relating to traffic improvements and other capital improvement projects that are not accounted for in other divisions.

Railroad Fund – to account for the acquisition and construction of railroad grade projects in the City.

Downtown Events Center Fund – to account for the acquisition and construction of the Reno Events Center and a proposed ballroom facility.

Municipal Court Fund – to account for the City of Reno’s portion of the acquisition and construction of the Municipal Court Building, a joint project with Washoe County.

Community Assistance Center Fund – to account for the construction of a shelter for indigent men, new facilities for St. Vincent’s Dining Room and the Reno-Sparks Gospel Mission to assist all persons in need, a family shelter, a triage center, and an assistance office.

City Bonds Funds – to account for the acquisition and construction of public park improvements, public safety improvements, sanitary sewer improvements, street and storm drain improvements, fire station construction and equipping, and construction and rehabilitation of various recreational facilities. Resources are provided by bond funds.

Community Service Centers Fund – to account for the acquisition of land and construction of three community service centers located throughout the city to better customer service and provide easier access to certain city services.

Parks Fund – to account for the acquisition and improvement of parks, playgrounds, and recreational facilities within the City. Resources are provided by park land and construction tax fees.

Special Ad Valorem Fund – to account for a special ad valorem tax levied by the County which can only be used for the purchase of capital assets and major repairs (not considered maintenance) of existing capital assets. Resources can also be used to repay medium-term financing to fund capital projects.

Special Assessment District Funds – to account for the acquisition and construction of streets, sidewalks, and curbs and gutters, where the cost of such improvements is assessed to property owners.

Redevelopment Agency Extraordinary Maintenance Fund – to account for the extraordinary maintenance of capital projects funded with bond proceeds in accordance with the Nevada Revised Statutes.

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Street Impact Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment earnings	\$ --	\$ 3,728	\$ 6,658	\$ 2,930
EXPENDITURES				
Current:				
Public Works:				
Services and supplies	--	39,858	3,769	36,089
TOTAL EXPENDITURES	--	39,858	3,769	36,089
OTHER FINANCING SOURCES (USES):				
Debt issuance	--	--	44,853,350	44,853,350
NET CHANGE IN FUND BALANCES	--	(36,130)	44,856,239	44,892,369
FUND BALANCE, BEGINNING	--	36,130	36,130	--
PRIOR PERIOD ADJUSTMENT	--	--	2,145	2,145
FUND BALANCE, BEGINNING, RESTATED	--	36,130	38,275	2,145
FUND BALANCE, ENDING	\$ --	\$ --	\$ 44,894,514	\$ 44,894,514

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Redevelopment Agency Capital Projects Fund  
 For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Car rental taxes	\$ --	\$ 10,239,094	\$ 10,239,094	\$ --
Miscellaneous:				
Investment earnings	--	114,000	67,080	(46,920)
Reimbursement and resitutation		--	400	400
TOTAL REVENUES	<u>--</u>	<u>10,353,094</u>	<u>10,306,574</u>	<u>(46,520)</u>
EXPENDITURES				
Urban redevelopment:				
Services and supplies	--	45,000	272,408	(227,408)
Capital Outlay		31,562,870	--	31,562,870
TOTAL EXPENDITURES	<u>--</u>	<u>31,607,870</u>	<u>272,408</u>	<u>31,335,462</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	--	(21,254,776)	10,034,166	31,288,942
FUND BALANCE, BEGINNING	<u>--</u>	<u>21,254,776</u>	<u>26,670,265</u>	<u>5,415,489</u>
FUND BALANCE, ENDING	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 36,704,431</u>	<u>\$ 36,704,431</u>

**CITY OF RENO, NEVADA**

Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2009

	Public Works Fund	Municipal Court	Railroad Capital Project Fund	Downtown Events Center Capital Projects Fund
<b>ASSETS</b>				
Cash and investments	\$ 2,385,090	\$ --	\$ 57,025	\$ 303,540
Receivables:				
Accounts	30,000	--	--	80,616
Accrued interest	7,252	--	--	1,346
From other governments	40,612	--	5,332,447	--
Other assets	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 2,462,954</b>	<b>\$ --</b>	<b>\$ 5,389,472</b>	<b>\$ 385,502</b>
 <b>LIABILITIES</b>				
Accounts payable	\$ 36,948	\$ --	\$ --	\$ 34,159
Contracts and retained percentage payable	102,030	--	317,603	--
Accrued interest payable	224	--	206	--
Due to other funds	185,539	--	5,700,000	--
Deferred revenue	--	--	--	--
Deposits from others	8,812	--	--	--
<b>TOTAL LIABILITIES</b>	<b>333,553</b>	<b>--</b>	<b>6,017,809</b>	<b>34,159</b>
 <b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	133,215	--	--	12,473
Park capital outlay	--	--	--	--
Capital projects	1,312,116	--	--	338,870
Future signalization	517,161	--	--	--
Sensitive lands	68,188	--	--	--
Other programs	98,721	--	--	--
Unreserved	--	--	(628,337)	--
<b>TOTAL FUND BALANCES</b>	<b>2,129,401</b>	<b>--</b>	<b>(628,337)</b>	<b>351,343</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,462,954</b>	<b>\$ --</b>	<b>\$ 5,389,472</b>	<b>\$ 385,502</b>

continued

**CITY OF RENO, NEVADA**

Combining Balance Sheet (continued)  
 Nonmajor Capital Projects Funds  
 June 30, 2009

	Community Assistance Center Fund	Community Service Center Fund	City Bonds Fund	Parks Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and investments	\$ 29,615	\$ 318,930	\$ 5,392,762	\$ 5,429,603
Receivables:				
Accounts	--	--	--	--
Accrued interest	--	1,399	14,673	23,954
From other governments	--	--	--	--
Other assets	440,000	--	--	--
<b>TOTAL ASSETS</b>	<u><u>\$ 469,615</u></u>	<u><u>\$ 320,329</u></u>	<u><u>\$ 5,407,435</u></u>	<u><u>\$ 5,453,557</u></u>
 <b>LIABILITIES</b>				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Contracts and retained percentage payable	--	--	91,770	52,400
Accrued interest payable	--	--	--	4
Due to other funds	2,400,000	--	--	--
Deferred revenue	440,000	--	--	--
Deposits from others	--	--	--	--
<b>TOTAL LIABILITIES</b>	<u><u>2,840,000</u></u>	<u><u>--</u></u>	<u><u>91,770</u></u>	<u><u>52,404</u></u>
 <b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	--	--	412,669	--
Park capital outlay	--	--	--	5,363,719
Capital projects	--	320,329	4,902,996	37,434
Future signalization	--	--	--	--
Sensitive lands	--	--	--	--
Other programs	--	--	--	--
Unreserved	(2,370,385)	--	--	--
<b>TOTAL FUND BALANCES</b>	<u><u>(2,370,385)</u></u>	<u><u>320,329</u></u>	<u><u>5,315,665</u></u>	<u><u>5,401,153</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 469,615</u></u>	<u><u>\$ 320,329</u></u>	<u><u>\$ 5,407,435</u></u>	<u><u>\$ 5,453,557</u></u>

continued

**CITY OF RENO, NEVADA**

Combining Balance Sheet (continued)  
 Nonmajor Capital Projects Funds  
 June 30, 2009

	Special Ad Valorem Fund	Special Assessment Districts Fund	Redevelopment Agency Extraordinary Maintenance Fund	Total
<b>ASSETS</b>				
Cash and investments	\$ 2,105,146	\$ 132,210	\$ 509	\$ 16,154,430
Receivables:				
Accounts	--	--	--	110,616
Accrued interest	11,591	547	3,289	64,051
From other governments	41,897	--	--	5,414,956
Other assets	--	--	--	440,000
<b>TOTAL ASSETS</b>	<u>\$ 2,158,634</u>	<u>\$ 132,757</u>	<u>\$ 3,798</u>	<u>\$ 22,184,053</u>
 <b>LIABILITIES</b>				
Accounts payable	\$ 3,702	\$ --	\$ --	\$ 74,809
Contracts and retained percentage payable	10,544	--	--	574,347
Accrued interest payable	--	--	--	434
Due to other funds	--	2,170,000	--	10,455,539
Deferred revenue	--	--	--	440,000
Deposits from others	--	--	--	8,812
<b>TOTAL LIABILITIES</b>	<u>14,246</u>	<u>2,170,000</u>	<u>--</u>	<u>11,553,941</u>
 <b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	61,904	--	--	620,261
Park capital outlay	--	--	--	5,363,719
Capital projects	2,082,484	--	3,798	8,998,027
Future signalization	--	--	--	517,161
Sensitive lands	--	--	--	68,188
Other programs	--	--	--	98,721
Unreserved	--	(2,037,243)	--	(5,035,965)
<b>TOTAL FUND BALANCES</b>	<u>2,144,388</u>	<u>(2,037,243)</u>	<u>3,798</u>	<u>10,630,112</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,158,634</u>	<u>\$ 132,757</u>	<u>\$ 3,798</u>	<u>\$ 22,184,053</u>

**CITY OF RENO, NEVADA**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Year Ended June 30, 2009

	<u>Public Works Fund</u>	<u>Municipal Court</u>	<u>Railroad Capital Project Fund</u>	<u>Downtown Events Center Capital Projects Fund</u>
REVENUES				
Taxes:				
Park district construction taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Grants and contributions	1,109,764	--	5,332,447	--
Miscellaneous:				
Investment earnings	38,678	--	4,529	18,472
Reimbursement and restitution	3,646	28,812	--	--
Other	--	--	7,900	80,615
TOTAL REVENUES	<u>1,152,088</u>	<u>28,812</u>	<u>5,344,876</u>	<u>99,087</u>
EXPENDITURES				
Current:				
Public works	373,963	--	108,123	7,527
Culture and recreation	--	--	--	--
Capital outlay	3,217,510	--	8,876,997	202,218
TOTAL EXPENDITURES	<u>3,591,473</u>	<u>--</u>	<u>8,985,120</u>	<u>209,745</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,439,385)</u>	<u>28,812</u>	<u>(3,640,244)</u>	<u>(110,658)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	--	--	--	--
Bonds issued	--	--	--	--
Transfers in	2,303,060	178,361	352,583	74,779
Transfers out	(1,136,824)	--	--	(1,067,111)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,166,236</u>	<u>178,361</u>	<u>352,583</u>	<u>(992,332)</u>
NET CHANGE IN FUND BALANCES	(1,273,149)	207,173	(3,287,661)	(1,102,990)
FUND BALANCES - BEGINNING OF YEAR	3,760,905	(207,173)	2,659,324	1,450,212
PRIOR PERIOD ADJUSTMENT	(358,355)	--	--	4,121
FUND BALANCES, BEGINNING, AS RESTATED	<u>3,402,550</u>	<u>(207,173)</u>	<u>2,659,324</u>	<u>1,454,333</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,129,401</u>	<u>\$ --</u>	<u>\$ (628,337)</u>	<u>\$ 351,343</u>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)  
 Nonmajor Capital Projects Funds  
 For the Year Ended June 30, 2009

	<u>Community Assistance Center Fund</u>	<u>Community Service Center Fund</u>	<u>City Bonds Fund</u>	<u>Parks Fund</u>
REVENUES				
Taxes:				
Park district construction taxes	\$ --	\$ --	\$ --	\$ 671,571
Intergovernmental	--	--	--	--
Grants and contributions	300,000	--	--	--
Miscellaneous:				
Investment earnings	--	7,134	85,686	132,475
Reimbursement and restitution	--	--	230,667	2,025
Other	478,756	--	--	5,000
TOTAL REVENUES	<u>778,756</u>	<u>7,134</u>	<u>316,353</u>	<u>811,071</u>
EXPENDITURES				
Current:				
Public works	8,867	--	66,669	--
Culture and recreation	--	--	--	85,123
Capital outlay	867,977	--	6,416,510	3,105,644
TOTAL EXPENDITURES	<u>876,844</u>	<u>--</u>	<u>6,483,179</u>	<u>3,190,767</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(98,088)</u>	<u>7,134</u>	<u>(6,166,826)</u>	<u>(2,379,696)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	50,000	--	--	--
Bonds issued	--	--	5,529,660	--
Transfers in	--	--	319,098	--
Transfers out	--	--	(1,771,681)	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>50,000</u>	<u>--</u>	<u>4,077,077</u>	<u>--</u>
NET CHANGE IN FUND BALANCES	(48,088)	7,134	(2,089,749)	(2,379,696)
FUND BALANCES - BEGINNING OF YEAR	(2,322,297)	312,362	7,370,899	7,760,105
PRIOR PERIOD ADJUSTMENT	--	833	34,515	20,744
FUND BALANCES, BEGINNING, AS RESTATED	<u>(2,322,297)</u>	<u>313,195</u>	<u>7,405,414</u>	<u>7,780,849</u>
FUND BALANCES, END OF YEAR	<u>\$ (2,370,385)</u>	<u>\$ 320,329</u>	<u>\$ 5,315,665</u>	<u>\$ 5,401,153</u>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)  
 Nonmajor Capital Projects Funds  
 For the Year Ended June 30, 2009

	Special Ad valorem Fund	Special Assessment Districts Fund	Redevelopment Agency Extraordinary Maintenance Fund	Total
<b>REVENUES</b>				
Taxes:				
Park district construction taxes	\$ --	\$ --	\$ --	\$ 671,571
Intergovernmental	1,303,597	--	--	1,303,597
Grants and contributions	47,021	--	--	6,789,232
Miscellaneous:				
Investment earnings	59,257	2,646	5,653	354,530
Reimbursement and restitution	5,060	--	--	270,210
Other	--	--	--	572,271
<b>TOTAL REVENUES</b>	<u>1,414,935</u>	<u>2,646</u>	<u>5,653</u>	<u>9,961,411</u>
<b>EXPENDITURES</b>				
Current:				
Public works	80,596	--	--	645,745
Culture and recreation	--	--	--	85,123
Capital outlay	65,390	94,638	40,716	22,887,600
<b>TOTAL EXPENDITURES</b>	<u>145,986</u>	<u>94,638</u>	<u>40,716</u>	<u>23,618,468</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,268,949</u>	<u>(91,992)</u>	<u>(35,063)</u>	<u>(13,657,057)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	--	--	--	50,000
Bonds issued	--	--	--	5,529,660
Transfers in	--	120,000	--	3,347,881
Transfers out	(1,072,222)	--	--	(5,047,838)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,072,222)</u>	<u>120,000</u>	<u>--</u>	<u>3,879,703</u>
<b>NET CHANGE IN FUND BALANCES</b>	196,727	28,008	(35,063)	(9,777,354)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	1,942,363	(2,065,251)	38,692	20,700,141
<b>PRIOR PERIOD ADJUSTMENT</b>	5,298	--	169	(292,675)
<b>FUND BALANCES, BEGINNING, AS RESTATED</b>	<u>1,947,661</u>	<u>(2,065,251)</u>	<u>38,861</u>	<u>20,407,466</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 2,144,388</u>	<u>\$ (2,037,243)</u>	<u>\$ 3,798</u>	<u>\$ 10,630,112</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Public Works Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Federal grants	\$ --	\$ 645,840	\$ 1,059,769	\$ 413,929
State grants	--	13,305	49,995	36,690
Total Intergovernmental	--	659,145	1,109,764	450,619
Miscellaneous:				
Investment earnings	77,500	24,516	38,678	14,162
Private grants	--	203,941	--	(203,941)
Reimbursements and restitution	--	3,646	3,646	--
Total Miscellaneous	77,500	232,103	42,324	(189,779)
<b>TOTAL REVENUES</b>	<u>77,500</u>	<u>891,248</u>	<u>1,152,088</u>	<u>260,840</u>
<b>EXPENDITURES</b>				
Current:				
Public Works:				
Services and supplies	27,096	104,112	373,963	(269,851)
Capital Outlay:				
Improvements other than buildings	847,627	4,190,184	3,217,510	972,674
<b>TOTAL EXPENDITURES</b>	<u>874,723</u>	<u>4,294,296</u>	<u>3,591,473</u>	<u>702,823</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(797,223)</u>	<u>(3,403,048)</u>	<u>(2,439,385)</u>	<u>963,663</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,511,750	1,200,838	2,303,060	1,102,222
Transfers out	(1,057,546)	(1,136,824)	(1,136,824)	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>454,204</u>	<u>64,014</u>	<u>1,166,236</u>	<u>1,102,222</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(343,019)</u>	<u>(3,339,034)</u>	<u>(1,273,149)</u>	<u>2,065,885</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	559,890	3,760,905	3,760,905	--
<b>PRIOR PERIOD ADJUSTMENT</b>	--	--	(358,355)	(358,355)
<b>FUND BALANCE, BEGINNING, RESTATED</b>	<u>559,890</u>	<u>3,760,905</u>	<u>3,402,550</u>	<u>(358,355)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 216,871</u>	<u>\$ 421,871</u>	<u>\$ 2,129,401</u>	<u>\$ 1,707,530</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Municipal Court Fund  
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous:				
Reimbursements and restitution	\$ --	\$ 28,724	\$ 28,812	\$ 88
TOTAL REVENUES	<u>--</u>	<u>28,724</u>	<u>28,812</u>	<u>88</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>--</u>	<u>178,448</u>	<u>178,361</u>	<u>(87)</u>
NET CHANGE IN FUND BALANCES	<u>--</u>	<u>207,172</u>	<u>207,173</u>	<u>1</u>
FUND BALANCE, BEGINNING	<u>--</u>	<u>(207,172)</u>	<u>(207,173)</u>	<u>(1)</u>
FUND BALANCE, ENDING	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
**Railroad Fund**  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue:				
Federal grants	\$ --	\$ 6,196,397	\$ 5,332,447	\$ (863,950)
Miscellaneous:				
Investment earnings	--	7,700	4,529	(3,171)
Other income	--	7,900	7,900	--
<b>TOTAL REVENUES</b>	<u>--</u>	<u>6,211,997</u>	<u>5,344,876</u>	<u>(867,121)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works:				
Services and supplies	--	73,906	108,123	(34,217)
Total Public Works	<u>--</u>	<u>73,906</u>	<u>108,123</u>	<u>(34,217)</u>
Capital Outlay:				
Improvements other than buildings	--	8,797,415	8,876,997	(79,582)
Total Capital Outlay	<u>--</u>	<u>8,797,415</u>	<u>8,876,997</u>	<u>(79,582)</u>
<b>TOTAL EXPENDITURES</b>	<u>--</u>	<u>8,871,321</u>	<u>8,985,120</u>	<u>(113,799)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>--</u>	<u>(2,659,324)</u>	<u>(3,640,244)</u>	<u>(980,920)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	--	--	352,583	352,583
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>--</u>	<u>--</u>	<u>352,583</u>	<u>352,583</u>
<b>NET CHANGE IN FUND BALANCES</b>	--	(2,659,324)	(3,287,661)	(628,337)
<b>FUND BALANCE, BEGINNING</b>	--	2,659,324	2,659,324	--
<b>FUND BALANCE, ENDING</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (628,337)</u>	<u>\$ (628,337)</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Downtown Events Center Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Miscellaneous:				
Investment earnings	\$ --	\$ 11,700	\$ 18,472	\$ 6,772
Other income	--	--	80,615	80,615
TOTAL REVENUES	<u>--</u>	<u>11,700</u>	<u>99,087</u>	<u>87,387</u>
EXPENDITURES				
Current:				
Public works:				
Services and supplies	--	5,093	7,527	(2,434)
Capital Outlay:				
Improvements	--	679,487	202,218	477,269
TOTAL EXPENDITURES	<u>--</u>	<u>684,580</u>	<u>209,745</u>	<u>474,835</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	--	(672,880)	(110,658)	562,222
OTHER FINANCING SOURCES (USES):				
Transfers in		74,779	74,779	--
Transfers out		(852,111)	(1,067,111)	(215,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>(777,332)</u>	<u>(992,332)</u>	<u>(215,000)</u>
NET CHANGE IN FUND BALANCES	<u>--</u>	<u>(1,450,212)</u>	<u>(1,102,990)</u>	<u>347,222</u>
FUND BALANCE, BEGINNING	--	1,450,212	1,450,212	--
PRIOR PERIOD ADJUSTMENT	--	--	4,121	4,121
FUND BALANCE, BEGINNING, RESTATED	<u>--</u>	<u>1,450,212</u>	<u>1,454,333</u>	<u>4,121</u>
FUND BALANCE, ENDING	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 351,343</u>	<u>\$ 351,343</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Community Assistance Center Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Contributions	\$ --	\$ 300,000	\$ 300,000	--
Total Intergovernmental	<u>          --</u>	<u>          300,000</u>	<u>          300,000</u>	<u>          --</u>
Miscellaneous:				
Private grants	--	2,881,431	478,756	(2,402,675)
Total Miscellaneous	<u>          --</u>	<u>          2,881,431</u>	<u>          478,756</u>	<u>          (2,402,675)</u>
TOTAL REVENUES	<u>          --</u>	<u>          3,181,431</u>	<u>          778,756</u>	<u>          (2,402,675)</u>
EXPENDITURES				
Current:				
Public Works:				
Services and supplies	--	9,135	8,867	268
Capital Outlay:				
Improvements other than buildings	37,969	900,000	867,977	32,023
TOTAL EXPENDITURES	<u>          37,969</u>	<u>          909,135</u>	<u>          876,844</u>	<u>          32,291</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>          (37,969)</u>	<u>          2,272,296</u>	<u>          (98,088)</u>	<u>          (2,370,384)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	--	50,000	50,000	--
NET CHANGE IN FUND BALANCES	(37,969)	2,322,296	(48,088)	(2,370,384)
FUND BALANCE, BEGINNING	--	(2,322,296)	(2,322,297)	(1)
FUND BALANCE, ENDING	<u>\$ (37,969)</u>	<u>\$ --</u>	<u>\$ (2,370,385)</u>	<u>\$ (2,370,385)</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Community Service Center Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment earnings	\$ 6,000	\$ 3,123	\$ 7,134	\$ 4,011
EXPENDITURES				
Capital Outlay:				
Improvements other than buildings	319,637	315,485	--	315,485
NET CHANGE IN FUND BALANCES	(313,637)	(312,362)	7,134	319,496
FUND BALANCE, BEGINNING	313,637	312,362	312,362	--
PRIOR PERIOD ADJUSTMENT	--	--	833	833
FUND BALANCE, BEGINNING, RESTATED	313,637	312,362	313,195	833
FUND BALANCE, ENDING	\$ --	\$ --	\$ 320,329	\$ 320,329

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 City Bonds Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Grants and contributions	\$ --	\$ 738,145	\$ --	\$ (738,145)
Miscellaneous:				
Reimbursement and restitution		--	230,667	230,667
Investment earnings	--	67,607	85,686	18,079
TOTAL REVENUES	<u>--</u>	<u>805,752</u>	<u>316,353</u>	<u>(489,399)</u>
EXPENDITURES				
Current:				
Public Works:				
Services and supplies	--	--	66,669	(66,669)
Capital Outlay:				
Land	--	1,700,000	2,508,891	(808,891)
Machinery and equipment	--	445,335	445,335	--
Improvements other than buildings	--	18,586,335	3,462,284	15,124,051
TOTAL EXPENDITURES	<u>--</u>	<u>20,731,670</u>	<u>6,483,179</u>	<u>14,248,491</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>--</u>	<u>(19,925,918)</u>	<u>(6,166,826)</u>	<u>13,759,092</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance		--	5,529,660	5,529,660
Transfers in	--	15,955,019	319,098	(15,635,921)
Transfers out	--	(3,400,000)	(1,771,681)	1,628,319
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>12,555,019</u>	<u>4,077,077</u>	<u>(8,477,942)</u>
NET CHANGE IN FUND BALANCES	--	(7,370,899)	(2,089,749)	5,281,150
FUND BALANCE, BEGINNING	--	7,370,899	7,370,899	--
PRIOR PERIOD ADJUSTMENT	--	--	34,515	34,515
FUND BALANCE, BEGINNING, RESTATED	<u>--</u>	<u>7,370,899</u>	<u>7,405,414</u>	<u>34,515</u>
FUND BALANCE, ENDING	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,315,665</u>	<u>\$ 5,315,665</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Parks Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Park construction taxes	\$ 780,000	\$ 736,000	\$ 671,571	\$ (64,429)
Miscellaneous:				
Investment earnings	150,000	66,852	132,475	65,623
Reimbursements and restitution	--	2,025	2,025	--
Private grants	--	--	5,000	5,000
TOTAL REVENUES	<u>930,000</u>	<u>804,877</u>	<u>811,071</u>	<u>6,194</u>
EXPENDITURES				
Current:				
Culture and Recreation:				
Services and supplies	--	--	85,123	(85,123)
Capital Outlay:				
Land			200,018	(200,018)
Improvements other than buildings	1,706,102	4,363,643	2,905,626	1,458,017
TOTAL EXPENDITURES	<u>1,706,102</u>	<u>4,363,643</u>	<u>3,190,767</u>	<u>1,172,876</u>
NET CHANGE IN FUND BALANCES	<u>(776,102)</u>	<u>(3,558,766)</u>	<u>(2,379,696)</u>	<u>1,179,070</u>
FUND BALANCE, BEGINNING	1,774,052	7,760,105	7,760,105	--
PRIOR PERIOD ADJUSTMENT	--	--	20,744	20,744
FUND BALANCE, BEGINNING, RESTATED	<u>1,774,052</u>	<u>7,760,105</u>	<u>7,780,849</u>	<u>20,744</u>
FUND BALANCE, ENDING	<u>\$ 997,950</u>	<u>\$ 4,201,339</u>	<u>\$ 5,401,153</u>	<u>\$ 1,199,814</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Special Ad Valorem Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
State grants	\$ --	\$ 40,000	\$ 47,021	\$ 7,021
County capital projects tax	1,277,029	1,277,029	1,303,597	26,568
Total Intergovernmental	<u>1,277,029</u>	<u>1,317,029</u>	<u>1,350,618</u>	<u>33,589</u>
Miscellaneous:				
Investment earnings	30,000	30,000	59,257	29,257
Reimbursements and restitution	--	5,060	5,060	--
Total Miscellaneous	<u>30,000</u>	<u>35,060</u>	<u>64,317</u>	<u>29,257</u>
<b>TOTAL REVENUES</b>	<u>1,307,029</u>	<u>1,352,089</u>	<u>1,414,935</u>	<u>62,846</u>
<b>EXPENDITURES</b>				
Current:				
Public Works:				
Services and supplies	--	--	80,596	(80,596)
Capital Outlay				
Improvements other than buildings	1,363,721	3,294,452	65,390	3,229,062
<b>TOTAL EXPENDITURES</b>	<u>1,363,721</u>	<u>3,294,452</u>	<u>145,986</u>	<u>3,148,466</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(56,692)</u>	<u>(1,942,363)</u>	<u>1,268,949</u>	<u>3,211,312</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	--	--	(1,072,222)	(1,072,222)
<b>NET CHANGE IN FUND BALANCES</b>	<u>(56,692)</u>	<u>(1,942,363)</u>	<u>196,727</u>	<u>2,139,090</u>
<b>FUND BALANCE, BEGINNING</b>	56,692	1,942,363	1,942,363	--
<b>PRIOR PERIOD ADJUSTMENT</b>	--	--	5,298	5,298
<b>FUND BALANCE, BEGINNING, RESTATED</b>	<u>56,692</u>	<u>1,942,363</u>	<u>1,947,661</u>	<u>5,298</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,144,388</u>	<u>\$ 2,144,388</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Special Assessment Districts Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment earnings	--	650	2,646	1,996
Reimbursement and restitution	--	4	--	(4)
TOTAL REVENUES	<u>--</u>	<u>654</u>	<u>2,646</u>	<u>1,992</u>
EXPENDITURES				
Current:				
Public Works:				
Services and supplies	--	131,739	--	131,739
Capital Outlay				
Improvements other than buildings	--	94,638	94,638	--
TOTAL EXPENDITURES	<u>--</u>	<u>226,377</u>	<u>94,638</u>	<u>131,739</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>--</u>	<u>(225,723)</u>	<u>(91,992)</u>	<u>133,731</u>
OTHER FINANCING SOURCES (USES):				
Debt issuance	921,125	2,110,975	--	(2,110,975)
Transfers in	<u>1,049,221</u>	<u>180,000</u>	<u>120,000</u>	<u>(60,000)</u>
TOTAL OTHER FINANCING SOURCES (USES):	<u>1,970,346</u>	<u>2,290,975</u>	<u>120,000</u>	<u>(2,170,975)</u>
NET CHANGE IN FUND BALANCE	1,970,346	2,065,252	28,008	(2,037,244)
FUND BALANCE, BEGINNING	<u>(1,970,346)</u>	<u>(2,065,252)</u>	<u>(2,065,251)</u>	<u>1</u>
FUND BALANCE, ENDING	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (2,037,243)</u>	<u>\$ (2,037,243)</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 Redevelopment Agency Extraordinary Maintenance Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Investment earnings	\$ --	\$ 156	\$ 5,653	\$ 5,497
EXPENDITURES				
Urban redevelopment:				
Capital outlay	--	38,848	40,716	(1,868)
NET CHANGE IN FUND BALANCES	--	(38,692)	(35,063)	3,629
FUND BALANCE, BEGINNING	--	38,692	38,692	--
PRIOR PERIOD ADJUSTMENT	--	--	169	169
FUND BALANCE, BEGINNING, RESTATED	--	38,692	38,861	169
FUND BALANCE, ENDING	\$ --	\$ --	\$ 3,798	\$ 3,798

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

# **ENTERPRISE FUNDS**

---

**– ENTERPRISE FUNDS –**

**To account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.**

## **ENTERPRISE FUNDS**

### **Major Enterprise Funds**

Sanitary Sewer Fund – to account for sewer services provided to the residents of Reno and some residents of Washoe County, and to account for connection fee revenues restricted for capital expenditures and the related projects.

Building Permit Fund – to account for activities involved in issuing a building permit which authorizes the construction of a structure. Resources are provided by building permit fees.

Planning Fund – to account for activities involved in promoting the health, safety and welfare of the community by preparing, implementing, reviewing and inspecting plans and construction projects for the physical development of the City and for conformance to applicable codes and ordinances.

### **Nonmajor Enterprise Funds**

Golf Course Fund – to account for the golfing operations of two City golf courses.

Dispatch Center Fund – to account for activities involved in providing dispatch center services for Reno and other public agencies in Northern Nevada.

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
Sanitary Sewer Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for Services:				
User fees	\$ 37,271,154	\$ 38,155,523	\$ 38,395,183	\$ 239,660
Other	720,000	655,000	699,344	44,344
Total Charges for Services	<u>37,991,154</u>	<u>38,810,523</u>	<u>39,094,527</u>	<u>284,004</u>
Licenses and permits	<u>320,000</u>	<u>300,000</u>	<u>253,535</u>	<u>(46,465)</u>
Fines and forfeits	<u>1,350,000</u>	<u>1,525,000</u>	<u>1,829,009</u>	<u>304,009</u>
Miscellaneous:				
Reimbursements and restitution	--	192,357	224,704	32,347
Other	3,455,624	2,000	2,618	618
Total Miscellaneous	<u>3,455,624</u>	<u>194,357</u>	<u>227,322</u>	<u>32,965</u>
<b>TOTAL OPERATING REVENUES</b>	<u>43,116,778</u>	<u>40,829,880</u>	<u>41,404,393</u>	<u>574,513</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	5,327,127	5,325,302	5,140,227	185,075
Employee benefits	2,177,575	2,145,361	2,385,703	(240,342)
Services and supplies	9,528,071	9,271,059	9,792,262	(521,203)
Joint sewer plant	16,509,350	16,344,548	12,366,376	3,978,172
Depreciation	7,000,000	7,300,000	7,795,584	(495,584)
<b>TOTAL OPERATING EXPENSES</b>	<u>40,542,123</u>	<u>40,386,270</u>	<u>37,480,152</u>	<u>2,906,118</u>
<b>OPERATING INCOME (LOSS)</b>	<u>2,574,655</u>	<u>443,610</u>	<u>3,924,241</u>	<u>3,480,631</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Federal grants	--	465,124	2,219,939	1,754,815
Private grants	--	80,000	403,250	323,250
Investment earnings	600,000	500,000	637,039	137,039
Gain (loss) on asset disposal	--	--	(124,987)	(124,987)
Debt service - principal	(3,455,624)	(5,849,203)	--	5,849,203
Debt service - interest	(2,746,452)	(2,955,100)	(2,579,804)	375,296
Debt service - fiscal charges	--	--	(9,653)	(9,653)
Net loss from Truckee Meadows Water Reclamation Facility	<u>(2,900,000)</u>	<u>(3,100,000)</u>	<u>(4,134,731)</u>	<u>(1,034,731)</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(8,502,076)</u>	<u>(10,859,179)</u>	<u>(3,588,947)</u>	<u>7,270,232</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>(5,927,421)</u>	<u>(10,415,569)</u>	<u>335,294</u>	<u>10,750,863</u>
<b>CAPITAL CONTRIBUTIONS</b>				
Connection charges	6,724,777	3,032,000	1,940,344	(1,091,656)
Contributions of assets	--	--	19,658,793	19,658,793
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<u>6,724,777</u>	<u>3,032,000</u>	<u>21,599,137</u>	<u>18,567,137</u>
<b>TRANSFERS</b>				
Transfers out	<u>(488,601)</u>	<u>(874,387)</u>	<u>(525,532)</u>	<u>348,855</u>
<b>TOTAL TRANSFERS</b>	<u>(488,601)</u>	<u>(874,387)</u>	<u>(525,532)</u>	<u>348,855</u>
<b>CHANGES IN NET ASSETS</b>	<u>\$ 308,755</u>	<u>\$ (8,257,956)</u>	21,408,899	<u>\$ 29,666,855</u>
<b>NET ASSETS, BEGINNING</b>			311,838,145	
<b>PRIOR PERIOD ADJUSTMENT</b>			<u>(501,334)</u>	
<b>NET ASSETS - RESTATED, BEGINNING</b>			<u>311,336,811</u>	
<b>NET ASSETS, ENDING</b>			<u>\$ 332,745,710</u>	

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
 Building Permit Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
OPERATING REVENUES				
Charges for Services:				
Building permits	\$ 5,025,050	\$ 2,431,461	\$ 2,365,640	\$ (65,821)
Electrical and plumbing permits	7,464	105,161	145,737	40,576
Plan check fees	2,196,521	1,095,231	1,074,651	(20,580)
Plumbing inspection fees	227,197	135,501	170,738	35,237
Electrical inspection fees	379,426	118,884	113,871	(5,013)
Miscellaneous permits	255,541	46,836	59,934	13,098
Other building and safety fees	50,000	33,630	32,421	(1,209)
Total Charges for Services	<u>8,141,199</u>	<u>3,966,704</u>	<u>3,962,992</u>	<u>(3,712)</u>
Miscellaneous:				
Reimbursements and restitution	--	605	605	--
Other income	<u>5,962</u>	<u>2,625</u>	<u>2,345</u>	<u>(280)</u>
Total Miscellaneous	<u>5,962</u>	<u>3,230</u>	<u>2,950</u>	<u>(280)</u>
TOTAL OPERATING REVENUES	<u>8,147,161</u>	<u>3,969,934</u>	<u>3,965,942</u>	<u>(3,992)</u>
OPERATING EXPENSES				
Salaries and wages	3,446,419	3,421,006	3,501,261	(80,255)
Employee benefits	1,470,978	1,153,717	1,545,122	(391,405)
Services and supplies	1,525,699	1,246,527	1,226,065	20,462
Depreciation	<u>22,000</u>	--	<u>39,988</u>	<u>(39,988)</u>
TOTAL OPERATING EXPENSES	<u>6,465,096</u>	<u>5,821,250</u>	<u>6,312,436</u>	<u>(491,186)</u>
OPERATING INCOME (LOSS)	<u>1,682,065</u>	<u>(1,851,316)</u>	<u>(2,346,494)</u>	<u>(495,178)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	<u>50,000</u>	--	--	--
INCOME (LOSS) BEFORE TRANSFERS	<u>1,732,065</u>	<u>(1,851,316)</u>	<u>(2,346,494)</u>	<u>(495,178)</u>
TRANSFERS				
Transfers in	--	--	1,623,774	1,623,774
TOTAL TRANSFERS	<u>--</u>	<u>--</u>	<u>1,623,774</u>	<u>1,623,774</u>
CHANGES IN NET ASSETS	<u>\$ 1,732,065</u>	<u>\$ (1,851,316)</u>	(722,720)	<u>\$ 1,128,596</u>
NET ASSETS, BEGINNING			(562,272)	
PRIOR PERIOD ADJUSTMENT			679	
NET ASSETS - RESTATED, BEGINNING			<u>(561,593)</u>	
NET ASSETS, ENDING			<u>\$ (1,284,313)</u>	

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
 Planning Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for Services:				
Planning application fees	\$ 2,850,801	\$ 1,449,657	\$ 1,366,191	\$ (83,466)
Miscellaneous:				
Other	--	3,427	3,212	(215)
<b>TOTAL OPERATING REVENUES</b>	<b>2,850,801</b>	<b>1,453,084</b>	<b>1,369,403</b>	<b>(83,681)</b>
<b>OPERATING EXPENSES</b>				
Salaries and wages	1,017,500	1,073,557	1,046,450	27,107
Employee benefits	369,503	345,660	537,943	(192,283)
Services and supplies	1,463,798	1,329,520	1,317,863	11,657
<b>TOTAL OPERATING EXPENSES</b>	<b>2,850,801</b>	<b>2,748,737</b>	<b>2,902,256</b>	<b>(153,519)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>--</b>	<b>(1,295,653)</b>	<b>(1,532,853)</b>	<b>(237,200)</b>
<b>TRANSFERS</b>				
Transfers in	--	2,246,261	2,246,261	--
<b>CHANGES IN NET ASSETS</b>	<b>\$ --</b>	<b>\$ 950,608</b>	<b>713,408</b>	<b>\$ (237,200)</b>
<b>NET ASSETS, BEGINNING</b>			<b>(3,033,445)</b>	
<b>NET ASSETS, ENDING</b>			<b>\$ (2,320,037)</b>	

**CITY OF RENO, NEVADA**

Combining Statement of Fund Net Assets  
Nonmajor Enterprise Funds  
June 30, 2009

	Golf Course Fund	Dispatch Center Fund	Total
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 175,546	\$ 789,226	\$ 964,772
Receivables:			
Accrued interest	--	1,359	1,359
Inventories	44,407	--	44,407
Total Current Assets	219,953	790,585	1,010,538
Noncurrent Assets:			
Capital assets:			
Land	1,600,000	--	1,600,000
Water rights	1,125,000	--	1,125,000
Buildings	1,153,242	--	1,153,242
Improvements other than buildings	7,196,726	--	7,196,726
Machinery and equipment	483,464	--	483,464
Total capital assets	11,558,432	--	11,558,432
Less accumulated depreciation	(5,607,789)	--	(5,607,789)
Net capital assets	5,950,643	--	5,950,643
Other assets:			
Deferred charges	57,450	--	57,450
Total Noncurrent Assets	6,008,093	--	6,008,093
<b>TOTAL ASSETS</b>	<b>\$ 6,228,046</b>	<b>\$ 790,585</b>	<b>\$ 7,018,631</b>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Fund Net Assets (continued)  
 Nonmajor Enterprise Funds  
 June 30, 2009

	Golf Course Fund	Dispatch Center Fund	Total
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 13,172	\$ 29,919	\$ 43,091
Accrued salaries and benefits	25,353	161,482	186,835
Compensated absences payable	36,077	465,641	501,718
Deposits	10,746	--	10,746
Bonds payable	200,000	--	200,000
Total Current Liabilities (payable from current assets)	285,348	657,042	942,390
Noncurrent Liabilities:			
Compensated absences payable	90,859	--	90,859
Other post-employment benefits liability	54,023	417,349	471,372
Bonds payable	2,265,373	--	2,265,373
Total Noncurrent Liabilities	2,410,255	417,349	2,827,604
<b>TOTAL LIABILITIES</b>	<b>2,695,603</b>	<b>1,074,391</b>	<b>3,769,994</b>
<b>NET ASSETS</b>			
Invested in capital, net of related debt	3,485,270	--	3,485,270
Unrestricted (deficit)	47,173	(283,806)	(236,633)
<b>TOTAL NET ASSETS</b>	<b>\$ 3,532,443</b>	<b>\$ (283,806)</b>	<b>\$ 3,248,637</b>

**CITY OF RENO, NEVADA**

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
 Nonmajor Enterprise Funds  
 For the Year Ended June 30, 2009

	<u>Golf Course Fund</u>	<u>Dispatch Center Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 858,589	\$ 340,940	\$ 1,199,529
Miscellaneous	1,159	11,746	12,905
TOTAL OPERATING REVENUES	<u>859,748</u>	<u>352,686</u>	<u>1,212,434</u>
OPERATING EXPENSES			
Salaries and wages	520,348	4,100,515	4,620,863
Employee benefits	184,874	1,681,472	1,866,346
Services and supplies	417,734	572,561	990,295
Depreciation	270,565	--	270,565
TOTAL OPERATING EXPENSES	<u>1,393,521</u>	<u>6,354,548</u>	<u>7,748,069</u>
OPERATING INCOME (LOSS)	<u>(533,773)</u>	<u>(6,001,862)</u>	<u>(6,535,635)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	--	4,036	4,036
Interest expense	(93,419)	--	(93,419)
Fiscal charges	(5,166)	--	(5,166)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(98,585)</u>	<u>4,036</u>	<u>(94,549)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(632,358)</u>	<u>(5,997,826)</u>	<u>(6,630,184)</u>
TRANSFERS			
Transfers in	721,572	5,935,721	6,657,293
TOTAL TRANSFERS	<u>721,572</u>	<u>5,935,721</u>	<u>6,657,293</u>
CHANGES IN NET ASSETS	<u>89,214</u>	<u>(62,105)</u>	<u>27,109</u>
NET ASSETS, BEGINNING	3,443,229	(223,995)	3,219,234
PRIOR PERIOD ADJUSTMENT	--	2,294	2,294
NET ASSETS - RESTATED, BEGINNING	<u>3,443,229</u>	<u>(221,701)</u>	<u>3,221,528</u>
NET ASSETS, ENDING	<u>\$ 3,532,443</u>	<u>\$ (283,806)</u>	<u>\$ 3,248,637</u>

**CITY OF RENO, NEVADA**

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2009

	Golf Course Fund	Dispatch Center Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 857,781	\$ 368,687	\$ 1,226,468
Cash received from miscellaneous income, reimbursements and restitutions	1,160	11,746	12,906
Cash paid for employees' salaries and benefits	(603,191)	(4,926,436)	(5,529,627)
Cash payments to suppliers for goods and services	(270,081)	(228,776)	(498,857)
Cash paid to other funds for motor vehicle rentals, liability and medical insurance, and indirect costs	(202,011)	(921,882)	(1,123,893)
Cash paid to deferred compensation plans	(12,752)	(91,985)	(104,737)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(229,094)</u>	<u>(5,788,646)</u>	<u>(6,017,740)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Temporary loans extended to other funds	(35,000)	--	(35,000)
Transfers in	721,572	5,935,721	6,657,293
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>686,572</u>	<u>5,935,721</u>	<u>6,622,293</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Payments on bonds payable	(200,000)	--	(200,000)
Interest and fiscal charges paid on debt	(84,081)	--	(84,081)
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(284,081)</u>	<u>          --</u>	<u>(284,081)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings received	--	8,461	8,461
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	173,397	155,536	328,933
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	2,149	633,690	635,839
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 175,546</u>	<u>\$ 789,226</u>	<u>\$ 964,772</u>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Cash Flows (continued)  
 Nonmajor Enterprise Funds  
 For the Year Ended June 30, 2009

	<u>Golf Course Fund</u>	<u>Dispatch Center Fund</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (533,773)	\$ (6,001,862)	\$ (6,535,635)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	270,565	--	270,565
Changes in assets and liabilities:			
(Increase) decrease in:			
Due from other governments	--	27,747	27,747
Inventories	(188)	--	(188)
Increase (decrease) in:			
Accounts payable	1,699	(33,604)	(31,905)
Accrued salaries and benefits	26,657	9,015	35,672
Accrued liabilities	(809)	--	(809)
Compensated absences payable	6,755	210,058	216,813
Total Adjustments	<u>304,679</u>	<u>213,216</u>	<u>517,895</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (229,094)</u>	<u>\$ (5,788,646)</u>	<u>\$ (6,017,740)</u>

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
 Golf Course Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for Services:				
Golf course fees	\$ 1,160,517	\$ 566,589	\$ 603,577	\$ 36,988
Concession and merchandise sales	27,021	107,478	100,278	(7,200)
Equipment and cart rental fees	225,704	155,665	154,734	(931)
Total Charges for Services	<u>1,413,242</u>	<u>829,732</u>	<u>858,589</u>	<u>28,857</u>
Reimbursements and restitution	--	515	1,014	499
Miscellaneous	20,000	2,800	145	(2,655)
TOTAL OPERATING REVENUES	<u>1,433,242</u>	<u>833,047</u>	<u>859,748</u>	<u>26,701</u>
OPERATING EXPENSES				
Salaries and wages	564,040	509,407	520,348	(10,941)
Employee benefits	165,824	169,473	184,874	(15,401)
Services and supplies	477,273	480,273	417,734	62,539
Depreciation	330,000	330,000	270,565	59,435
TOTAL OPERATING EXPENSES	<u>1,537,137</u>	<u>1,489,153</u>	<u>1,393,521</u>	<u>95,632</u>
OPERATING INCOME (LOSS)	<u>(103,895)</u>	<u>(656,106)</u>	<u>(533,773)</u>	<u>122,333</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	3,000	--	--	--
Debt service - interest	(85,877)	(85,877)	(93,419)	(7,542)
Debt service - fiscal charges	--	--	(5,166)	(5,166)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(82,877)</u>	<u>(85,877)</u>	<u>(98,585)</u>	<u>(12,708)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(186,772)</u>	<u>(741,983)</u>	<u>(632,358)</u>	<u>109,625</u>
TRANSFERS				
Transfers in	<u>335,786</u>	<u>721,572</u>	<u>721,572</u>	<u>--</u>
CHANGES IN NET ASSETS	<u>\$ 149,014</u>	<u>\$ (20,411)</u>	89,214	<u>\$ 109,625</u>
NET ASSETS, BEGINNING			3,443,229	
NET ASSETS, ENDING			<u>\$ 3,532,443</u>	

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
Dispatch Center Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for Services:				
Dispatch services	\$ 508,000	\$ 508,000	\$ 340,940	\$ (167,060)
Miscellaneous:				
Reimbursements and restitution	557	2,000	11,746	9,746
TOTAL OPERATING REVENUES	<u>508,557</u>	<u>510,000</u>	<u>352,686</u>	<u>(157,314)</u>
OPERATING EXPENSES				
Salaries and wages	4,475,690	4,116,093	4,100,515	15,578
Employee benefits	1,747,007	1,484,212	1,681,472	(197,260)
Services and supplies	913,506	762,379	572,561	189,818
TOTAL OPERATING EXPENSES	<u>7,136,203</u>	<u>6,362,684</u>	<u>6,354,548</u>	<u>8,136</u>
OPERATING INCOME (LOSS)	<u>(6,627,646)</u>	<u>(5,852,684)</u>	<u>(6,001,862)</u>	<u>(149,178)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	45,000	1,500	4,036	2,536
INCOME (LOSS) BEFORE TRANSFERS	<u>(6,582,646)</u>	<u>(5,851,184)</u>	<u>(5,997,826)</u>	<u>(146,642)</u>
TRANSFERS				
Transfers in	6,211,336	5,935,721	5,935,721	--
CHANGES IN NET ASSETS	<u>\$ (371,310)</u>	<u>\$ 84,537</u>	<u>(62,105)</u>	<u>\$ (146,642)</u>
NET ASSETS, BEGINNING			(223,995)	
PRIOR PERIOD ADJUSTMENT			2,294	
NET ASSETS - RESTATED, BEGINNING			<u>(221,701)</u>	
NET ASSETS, ENDING			<u>\$ (283,806)</u>	

---

# **INTERNAL SERVICE FUNDS**

---

## **- INTERNAL SERVICE FUNDS -**

**To account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units on a cost-reimbursement basis.**

## **INTERNAL SERVICE FUNDS**

Motor Vehicle Fund – to account for the costs of acquisition of motor vehicles and of operating a maintenance facility for motor vehicles used by City departments. Such costs are billed to the user department.

Risk Retention Fund – to account for the operations of the self-funded general insurance program.

Self-Funded Medical Plan Fund – to account for operations of the self-funded group health and accident insurance program.

Self-Funded Workers Compensation Fund – to account for the operations of the self-funded workers compensation program.

Communications and Technology Fund – to account for the activities involved in providing information and technology-related services for the city of Reno.

**CITY OF RENO, NEVADA**

Combining Statement of Fund Net Assets  
Internal Service Funds  
June 30, 2009

	<u>Motor Vehicle Fund</u>	<u>Risk Retention Fund</u>	<u>Self-Funded Medical Plan Fund</u>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 8,463	\$ 5,727,857	\$ 10,424,474
Receivables:			
Accounts receivable	92,559	--	65,713
Accrued interest	--	25,956	68,698
Due from other funds	--	--	4,570,000
Due from other governments	--	--	--
Inventories	199,251	--	--
Prepaid expenses	--	342,082	--
Total Current Assets	<u>300,273</u>	<u>6,095,895</u>	<u>15,128,885</u>
Noncurrent Assets:			
Capital Assets:			
Machinery, equipment and motor vehicles	24,941,072	71,000	--
Less accumulated depreciation	<u>(16,091,224)</u>	<u>(71,000)</u>	<u>--</u>
Net Capital Assets	<u>8,849,848</u>	<u>--</u>	<u>--</u>
<b>TOTAL ASSETS</b>	<u><u>9,150,121</u></u>	<u><u>6,095,895</u></u>	<u><u>15,128,885</u></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	79,930	4,863	--
Accrued salaries and benefits	37,399	5,482	--
Compensated absences payable	103,792	12,787	--
Liability for self-insurance	--	266,136	1,788,013
Due to other funds	<u>370,000</u>	<u>--</u>	<u>--</u>
Total Current Liabilities	<u>591,121</u>	<u>289,268</u>	<u>1,788,013</u>
Noncurrent Liabilities:			
Compensated absences payable	20,318	4,597	--
Other post-employment benefits liability	99,802	18,399	--
Liability for self-insurance	--	1,756,732	44,220
Total Noncurrent Liabilities	<u>120,120</u>	<u>1,779,728</u>	<u>44,220</u>
<b>TOTAL LIABILITIES</b>	<u><u>711,241</u></u>	<u><u>2,068,996</u></u>	<u><u>1,832,233</u></u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	8,849,848	--	--
Restricted for claims	--	4,026,899	13,296,652
Unrestricted (deficit)	<u>(410,968)</u>	<u>--</u>	<u>--</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 8,438,880</u></u>	<u><u>\$ 4,026,899</u></u>	<u><u>\$ 13,296,652</u></u>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Fund Net Assets (continued)  
Internal Service Funds  
June 30, 2009

	Self-Funded Workers Compensation Fund	Communications and Technology Fund	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 55,246	\$ 700,210	\$ 16,916,250
Receivables:			
Accounts receivable	--	--	158,272
Accrued interest	--	2,503	97,157
Due from other funds	--	--	4,570,000
Due from other governments	--	10,243	10,243
Inventories	--	--	199,251
Prepaid expenses	54,285	--	396,367
Total Current Assets	<u>109,531</u>	<u>712,956</u>	<u>22,347,540</u>
Noncurrent Assets:			
Capital Assets:			
Machinery, equipment and motor vehicles	--	1,102,016	26,114,088
Less accumulated depreciation	--	(786,660)	(16,948,884)
Net Capital Assets	<u>--</u>	<u>315,356</u>	<u>9,165,204</u>
<b>TOTAL ASSETS</b>	<u>109,531</u>	<u>1,028,312</u>	<u>31,512,744</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	--	27,764	112,557
Accrued salaries and benefits	6,481	76,496	125,858
Compensated absences payable	9,855	186,604	313,038
Liability for self-insurance	3,227,141	--	5,281,290
Due to other funds	4,200,000	--	4,570,000
Total Current Liabilities	<u>7,443,477</u>	<u>290,864</u>	<u>10,402,743</u>
Noncurrent Liabilities:			
Compensated absences payable	--	--	24,915
Other post-employment benefits liability	15,907	184,869	318,977
Liability for self-insurance	35,867,980	--	37,668,932
Total Noncurrent Liabilities	<u>35,883,887</u>	<u>184,869</u>	<u>38,012,824</u>
<b>TOTAL LIABILITIES</b>	<u>43,327,364</u>	<u>475,733</u>	<u>48,415,567</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	--	315,356	9,165,204
Restricted for claims	--	--	17,323,551
Unrestricted (deficit)	(43,217,833)	237,223	(43,391,578)
<b>TOTAL NET ASSETS</b>	<u>\$ (43,217,833)</u>	<u>\$ 552,579</u>	<u>\$ (16,902,823)</u>

**CITY OF RENO, NEVADA**

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended June 30, 2009

	Motor Vehicle Fund	Risk Retention Fund	Self-Funded Medical Plan Fund
OPERATING REVENUES			
Charges for services	\$ 4,059,607	\$ 260,398	\$ 15,681,531
Miscellaneous	102,930	9,514	535,812
TOTAL OPERATING REVENUES	4,162,537	269,912	16,217,343
OPERATING EXPENSES			
Salaries and wages	1,012,152	163,321	--
Employee benefits	450,029	73,205	--
Services and supplies	2,797,727	931,385	15,040,103
Depreciation	2,574,369	--	--
TOTAL OPERATING EXPENSES	6,834,277	1,167,911	15,040,103
OPERATING INCOME (LOSS)	(2,671,740)	(897,999)	1,177,240
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	--	154,493	348,328
Gain (loss) on asset disposal	129,292	--	--
TOTAL NONOPERATING REVENUES (EXPENSES)	129,292	154,493	348,328
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(2,542,448)	(743,506)	1,525,568
CAPITAL CONTRIBUTIONS	192,728	--	--
TRANSFERS			
Transfers in	--	--	--
Transfers out	(10,000)	(2,138,234)	--
TOTAL TRANSFERS	(10,000)	(2,138,234)	--
CHANGES IN NET ASSETS	(2,359,720)	(2,881,740)	1,525,568
NET ASSETS - BEGINNING OF YEAR	10,796,436	6,882,685	11,824,763
PRIOR PERIOD ADJUSTMENT	2,164	25,954	(53,679)
NET ASSETS, BEGINNING, AS RESTATED	10,798,600	6,908,639	11,771,084
NET ASSETS, ENDING	\$ 8,438,880	\$ 4,026,899	\$ 13,296,652

continued

**CITY OF RENO, NEVADA**

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (continued)  
Internal Service Funds  
For the Year Ended June 30, 2009

	<u>Self-Funded Workers Compensation Fund</u>	<u>Communications and Technology Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 3,385,340	\$ 257,337	\$ 23,644,213
Miscellaneous	53,793	143,569	845,618
TOTAL OPERATING REVENUES	<u>3,439,133</u>	<u>400,906</u>	<u>24,489,831</u>
OPERATING EXPENSES			
Salaries and wages	138,498	1,881,442	3,195,413
Employee benefits	62,718	866,602	1,452,554
Services and supplies	(10,897,283)	2,578,607	10,450,539
Depreciation	--	164,302	2,738,671
TOTAL OPERATING EXPENSES	<u>(10,696,067)</u>	<u>5,490,953</u>	<u>17,837,177</u>
OPERATING INCOME (LOSS)	<u>14,135,200</u>	<u>(5,090,047)</u>	<u>6,652,654</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	125,547	9,115	637,483
Gain (loss) on asset disposal	--	--	129,292
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>125,547</u>	<u>9,115</u>	<u>766,775</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>14,260,747</u>	<u>(5,080,932)</u>	<u>7,419,429</u>
CAPITAL CONTRIBUTIONS	<u>--</u>	<u>--</u>	<u>192,728</u>
TRANSFERS			
Transfers in	--	4,082,428	4,082,428
Transfers out	--	--	(2,148,234)
TOTAL TRANSFERS	<u>--</u>	<u>4,082,428</u>	<u>1,934,194</u>
CHANGES IN NET ASSETS	<u>14,260,747</u>	<u>(998,504)</u>	<u>9,546,351</u>
NET ASSETS - BEGINNING OF YEAR	(57,478,580)	1,544,808	(26,429,888)
PRIOR PERIOD ADJUSTMENT	--	6,275	(19,286)
NET ASSETS, BEGINNING, AS RESTATED	<u>(57,478,580)</u>	<u>1,551,083</u>	<u>(26,449,174)</u>
NET ASSETS, ENDING	<u>\$ (43,217,833)</u>	<u>\$ 552,579</u>	<u>\$ (16,902,823)</u>

**CITY OF RENO, NEVADA**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2009

	Motor Vehicle Fund	Risk Retention Fund
	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from other funds for services	\$ 4,687,491	\$ 260,398
Cash received from miscellaneous income, reimbursements and restitutions	102,930	9,513
Cash paid for employees' salaries and benefits	(1,226,747)	(196,050)
Cash payments to suppliers for goods and services	(2,376,704)	(973,940)
Cash paid to other funds for motor vehicle rentals, liability and medical insurance, and indirect costs	(607,700)	(619,110)
Cash paid to deferred compensation plans	<u>(35,892)</u>	<u>(7,143)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>543,378</u>	<u>(1,526,332)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Temporary loans received from other funds	370,000	--
Temporary loans extended to other funds	--	--
Transfers in	--	--
Transfers out	<u>(10,000)</u>	<u>(2,138,234)</u>
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>360,000</u>	<u>(2,138,234)</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of machinery and equipment	129,292	--
Acquisition of capital assets	<u>(1,037,082)</u>	<u>          </u>
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(907,790)</u>	<u>          </u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment earnings received	<u>5,456</u>	<u>193,976</u>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,044	(3,470,590)
 <b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>7,419</u>	<u>9,198,447</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 8,463</u>	<u>\$ 5,727,857</u>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Year Ended June 30, 2009

	<u>Self-Funded Medical Plan Fund</u>	<u>Self-Funded Workers Compensation Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from other funds for services	\$ 16,099,157	\$ 3,439,133
Cash received from miscellaneous income, reimbursements and restitutions	535,811	--
Cash paid for employees' salaries and benefits	--	(165,086)
Cash payments to suppliers for goods and services	(14,815,773)	(4,916,378)
Cash paid to other funds for motor vehicle rentals, liability and medical insurance, and indirect costs	(124,747)	(120,710)
Cash paid to deferred compensation plans	--	(5,754)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>1,694,448</u>	<u>(1,768,795)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Temporary loans received from other funds	--	1,600,000
Temporary loans extended to other funds	(1,970,000)	--
Transfers in	--	--
Transfers out	--	--
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(1,970,000)</u>	<u>1,600,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of machinery and equipment	--	--
Acquisition of capital assets	--	--
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>--</u>	<u>--</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment earnings received	<u>281,780</u>	<u>125,547</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	6,228	(43,248)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>10,418,246</u>	<u>98,494</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u><u>\$ 10,424,474</u></u>	<u><u>\$ 55,246</u></u>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Year Ended June 30, 2009

	Communications and Technology Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from other funds for services	\$ 310,669	\$ 24,796,848
Cash received from miscellaneous income, reimbursements and restitutions	143,569	791,823
Cash paid for employees' salaries and benefits	(2,273,702)	(3,861,585)
Cash payments to suppliers for goods and services	(2,603,927)	(25,686,722)
Cash paid to other funds for motor vehicle rentals, liability and medical insurance, and indirect costs	(320,729)	(1,792,996)
Cash paid to deferred compensation plans	(56,154)	(104,943)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(4,800,274)</b>	<b>(5,857,575)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Temporary loans received from other funds	--	1,970,000
Temporary loans extended to other funds	--	(1,970,000)
Transfers in	4,082,428	4,082,428
Transfers out	--	(2,148,234)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>4,082,428</b>	<b>1,934,194</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of machinery and equipment	--	129,292
Acquisition of capital assets	(57,350)	(1,094,432)
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(57,350)</b>	<b>(965,140)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment earnings received	22,433	629,192
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(752,763)	(4,259,329)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>1,452,973</b>	<b>21,175,579</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>\$ 700,210</b>	<b>\$ 16,916,250</b>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Year Ended June 30, 2009

	<u>Motor Vehicle Fund</u>	<u>Risk Retention Fund</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (2,671,740)	\$ (897,999)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	2,574,369	--
Changes in assets and liabilities:		
(Increase) decrease in:		
Due from other governments	--	--
Accounts receivable	627,883	--
Inventories	(17,532)	--
Prepaid expenses	--	59,114
Increase (decrease) in:		
Accounts payable	(16,079)	(9,960)
Accrued salaries and benefits	46,745	5,379
Accrued liabilities	--	(688,158)
Compensated absences payable	(268)	5,292
Total Adjustments	<u>3,215,118</u>	<u>(628,333)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 543,378</u>	<u>\$ (1,526,332)</u>
<b>NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital contributions:		
Contributions of assets	<u>\$ 192,728</u>	<u>\$ --</u>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Year Ended June 30, 2009

	<u>Self-Funded Medical Plan Fund</u>	<u>Self-Funded Workers Compensation Fund</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 1,177,240	\$ 14,135,200
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	--	--
Changes in assets and liabilities:		
(Increase) decrease in:		
Due from other governments	--	--
Accounts receivable	417,625	--
Inventories	--	--
Prepaid expenses	--	7,564
Increase (decrease) in:		
Accounts payable	--	(26,710)
Accrued salaries and benefits	--	8,740
Accrued liabilities	99,583	(15,894,623)
Compensated absences payable	--	1,034
Total Adjustments	<u>517,208</u>	<u>(15,903,995)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 1,694,448</u>	<u>\$ (1,768,795)</u>
<b>NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital contributions:		
Contributions of assets	<u>\$ --</u>	<u>\$ --</u>

continued

**CITY OF RENO, NEVADA**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Year Ended June 30, 2009

	Communications and Technology Fund	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (5,090,047)	\$ 6,652,654
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	164,302	2,738,671
Changes in assets and liabilities:		
(Increase) decrease in:		
Due from other governments	53,332	53,332
Accounts receivable	--	1,045,508
Inventories	--	(17,532)
Prepaid expenses	13,475	80,153
Increase (decrease) in:		
Accounts payable	(60,234)	(112,983)
Accrued salaries and benefits	95,246	156,110
Accrued liabilities	--	(16,483,198)
Compensated absences payable	23,652	29,710
Total Adjustments	289,773	(12,510,229)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (4,800,274)</b>	<b>\$ (5,857,575)</b>
<b>NON CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital contributions:		
Contributions of assets	\$ --	\$ 192,728

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
 Motor Vehicle Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 4,174,278	\$ 4,102,146	\$ 4,059,607	\$ (42,539)
Miscellaneous:				
Reimbursements and restitution	--	80,000	102,692	22,692
Other	--	238	238	--
Total Miscellaneous	--	80,238	102,930	22,692
TOTAL OPERATING REVENUES	<u>4,174,278</u>	<u>4,182,384</u>	<u>4,162,537</u>	<u>(19,847)</u>
OPERATING EXPENSES				
Salaries and wages	974,934	1,019,364	1,012,152	7,212
Employee benefits	432,450	402,287	450,029	(47,742)
Services and supplies	2,600,300	2,997,232	2,797,727	199,505
Capital outlay	--	1,241,027	--	1,241,027
Depreciation	3,500,000	3,110,000	2,574,369	535,631
TOTAL OPERATING EXPENSES	<u>7,507,684</u>	<u>8,769,910</u>	<u>6,834,277</u>	<u>1,935,633</u>
OPERATING INCOME (LOSS)	<u>(3,333,406)</u>	<u>(4,587,526)</u>	<u>(2,671,740)</u>	<u>1,915,786</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	50,000	--	--	--
Gain (loss) on asset disposal	100,000	122,200	129,292	7,092
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>150,000</u>	<u>122,200</u>	<u>129,292</u>	<u>7,092</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(3,183,406)</u>	<u>(4,465,326)</u>	<u>(2,542,448)</u>	<u>1,922,878</u>
CAPITAL CONTRIBUTIONS	--	--	192,728	192,728
TRANSFERS				
Transfers out	(10,000)	(10,000)	(10,000)	--
TOTAL TRANSFERS	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>--</u>
CHANGES IN NET ASSETS	<u>\$ (3,193,406)</u>	<u>\$ (4,475,326)</u>	<u>(2,359,720)</u>	<u>\$ 2,115,606</u>
NET ASSETS, BEGINNING			10,796,436	
PRIOR PERIOD ADJUSTMENT			2,164	
NET ASSETS - RESTATED, BEGINNING			<u>10,798,600</u>	
NET ASSETS, ENDING			<u>\$ 8,438,880</u>	

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
 Risk Retention Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 260,398	\$ 260,398	\$ 260,398	\$ --
Miscellaneous:				
Other	--	9,534	9,514	(20)
TOTAL OPERATING REVENUES	260,398	269,932	269,912	(20)
OPERATING EXPENSES				
Salaries and wages	191,354	157,900	163,321	(5,421)
Employee benefits	83,218	65,607	73,205	(7,598)
Services and supplies	2,596,508	2,450,935	931,385	1,519,550
Depreciation	4,000	--	--	--
TOTAL OPERATING EXPENSES	2,875,080	2,674,442	1,167,911	1,506,531
OPERATING INCOME (LOSS)	(2,614,682)	(2,404,510)	(897,999)	1,506,511
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	200,000	100,000	154,493	54,493
INCOME (LOSS) BEFORE TRANSFERS	(2,414,682)	(2,304,510)	(743,506)	1,561,004
TRANSFERS				
Transfers out	(2,137,357)	(2,138,234)	(2,138,234)	--
CHANGES IN NET ASSETS	\$ (4,552,039)	\$ (4,442,744)	(2,881,740)	\$ 1,561,004
NET ASSETS, BEGINNING			6,882,685	
PRIOR PERIOD ADJUSTMENT			25,954	
NET ASSETS - RESTATED, BEGINNING			6,908,639	
NET ASSETS, ENDING			\$ 4,026,899	

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
 Self-Funded Medical Plan Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 17,208,707	\$ 15,425,718	\$ 15,681,531	\$ 255,813
Miscellaneous:				
Stop-loss reimbursements	250,000	316,281	405,585	89,304
Other	124,000	150,000	130,227	(19,773)
TOTAL OPERATING REVENUES	17,582,707	15,891,999	16,217,343	325,344
OPERATING EXPENSES				
Services and supplies	16,184,747	16,184,747	15,040,103	1,144,644
OPERATING INCOME (LOSS)	1,397,960	(292,748)	1,177,240	1,469,988
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	325,000	176,000	348,328	172,328
CHANGES IN NET ASSETS	\$ 1,722,960	\$ (116,748)	1,525,568	\$ 1,642,316
NET ASSETS, BEGINNING			11,824,763	
PRIOR PERIOD ADJUSTMENT			(53,679)	
NET ASSETS - RESTATED, BEGINNING			11,771,084	
NET ASSETS, ENDING			\$ 13,296,652	

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
Self-Funded Workers Compensation Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 2,663,536	\$ 2,663,536	\$ 3,385,340	\$ 721,804
Miscellaneous:				
Other	1,250,000	45,000	53,793	8,793
TOTAL OPERATING REVENUES	<u>3,913,536</u>	<u>2,708,536</u>	<u>3,439,133</u>	<u>730,597</u>
OPERATING EXPENSES				
Salaries and wages	189,725	138,954	138,498	456
Employee benefits	77,658	56,676	62,718	(6,042)
Services and supplies	4,893,513	4,882,848	(10,897,283)	15,780,131
TOTAL OPERATING EXPENSES	<u>5,160,896</u>	<u>5,078,478</u>	<u>(10,696,067)</u>	<u>15,774,545</u>
OPERATING INCOME (LOSS)	<u>(1,247,360)</u>	<u>(2,369,942)</u>	<u>14,135,200</u>	<u>16,505,142</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	250,000	100,000	125,547	25,547
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>250,000</u>	<u>100,000</u>	<u>125,547</u>	<u>25,547</u>
CHANGES IN NET ASSETS	<u>\$ (997,360)</u>	<u>\$ (2,269,942)</u>	14,260,747	<u>\$ 16,530,689</u>
NET ASSETS, BEGINNING			<u>(57,478,580)</u>	
NET ASSETS, ENDING			<u>\$ (43,217,833)</u>	

**CITY OF RENO, NEVADA**

Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
 Communications and Technology Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
OPERATING REVENUES				
Charges for services	\$ --	\$ --	\$ 257,337	\$ 257,337
Miscellaneous:				
Other	123,571	200,000	143,569	(56,431)
TOTAL OPERATING REVENUES	123,571	200,000	400,906	200,906
OPERATING EXPENSES				
Salaries and wages	2,000,097	1,881,455	1,881,442	13
Employee benefits	877,144	786,988	866,602	(79,614)
Services and supplies	3,646,318	3,491,464	2,578,607	912,857
Capital outlay	--	39,000	--	39,000
Depreciation	110,000	110,000	164,302	(54,302)
TOTAL OPERATING EXPENSES	6,633,559	6,308,907	5,490,953	817,954
OPERATING INCOME (LOSS)	(6,509,988)	(6,108,907)	(5,090,047)	1,018,860
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	75,000	5,000	9,115	4,115
TOTAL NONOPERATING REVENUES (EXPENSES)	75,000	5,000	9,115	4,115
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(6,434,988)	(6,103,907)	(5,080,932)	1,022,975
CAPITAL CONTRIBUTIONS	27,193	--	--	--
TRANSFERS				
Transfers in	5,569,993	4,339,765	4,082,428	(257,337)
CHANGES IN NET ASSETS	\$ (837,802)	\$ (1,764,142)	\$ (998,504)	\$ 765,638
NET ASSETS, BEGINNING			1,544,808	
PRIOR PERIOD ADJUSTMENT			6,275	
NET ASSETS - RESTATED, BEGINNING			1,551,083	
NET ASSETS, ENDING			\$ 552,579	

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

# **FIDUCIARY FUNDS**

---

**– AGENCY FUNDS –**

**Agency funds are used to account for assets held by the government as an agent.**

## **AGENCY FUNDS**

Deposit Fund – to account for performance and other deposits that are refundable.

Special Assessment District Funds – to account for collections of special assessments of property owners for Sierra Executive Center, the Somerset Parkway development, and the Double R Boulevard development. The City is not obligated in any manner for debt incurred on capital improvements to the properties.

**CITY OF RENO, NEVADA**

Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>DEPOSITS FUND</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,255,026	\$ 650,010	\$ 954,059	\$ 1,950,977
Accrued interest receivable	19,627	23,165	34,123	8,669
<b>TOTAL ASSETS</b>	<u>\$ 2,274,653</u>	<u>\$ 673,175</u>	<u>\$ 988,182</u>	<u>\$ 1,959,646</u>
<b>LIABILITIES</b>				
Accounts payable	\$ --	\$ 19,416	\$ --	\$ 19,416
Accrued liabilities	65,027	--	186	64,841
Deposits	2,209,626	684,949	1,019,186	1,875,389
<b>TOTAL LIABILITIES</b>	<u>\$ 2,274,653</u>	<u>\$ 704,365</u>	<u>\$ 1,019,372</u>	<u>\$ 1,959,646</u>
<b>SPECIAL ASSESSMENT DISTRICT FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 5,974,766	\$ 3,392,169	\$ 3,277,467	\$ 6,089,468
Accounts receivable	28,396	16,011	--	44,407
Special assessments, current	383,475	964,464	944,094	403,845
Special assessments, delinquent	6,454	10,775	--	17,229
Accrued interest receivable	12,170	18,040	--	30,210
<b>TOTAL ASSETS</b>	<u>\$ 6,405,261</u>	<u>\$ 4,401,459</u>	<u>\$ 4,221,561</u>	<u>\$ 6,585,159</u>
<b>LIABILITIES</b>				
Due to others	\$ 6,356,369	\$ 1,808,408	\$ 1,620,000	\$ 6,544,777
Accounts payable	6,132	4,332	--	10,464
Due to other governments	52	--	2	50
Deposits	42,708	289,734	302,574	29,868
<b>TOTAL LIABILITIES</b>	<u>\$ 6,405,261</u>	<u>\$ 2,102,474</u>	<u>\$ 1,922,576</u>	<u>\$ 6,585,159</u>
<b>TOTALS, AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 8,229,792	\$ 4,042,179	\$ 4,231,526	\$ 8,040,445
Accounts receivable	28,396	16,011	--	44,407
Accrued interest receivable	31,797	41,205	34,123	38,879
Special assessments, current	383,475	964,464	944,094	403,845
Special assessments, delinquent	6,454	10,775	--	17,229
<b>TOTAL ASSETS</b>	<u>\$ 8,679,914</u>	<u>\$ 5,074,634</u>	<u>\$ 5,209,743</u>	<u>\$ 8,544,805</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,132	\$ 23,748	\$ --	\$ 29,880
Accrued liabilities	65,027	--	186	64,841
Deposits	2,252,334	974,683	1,321,760	1,905,257
Due to other governments	52	--	2	50
Due to others	6,356,369	1,808,408	1,620,000	6,544,777
<b>TOTAL LIABILITIES</b>	<u>\$ 8,679,914</u>	<u>\$ 2,806,839</u>	<u>\$ 2,941,948</u>	<u>\$ 8,544,805</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

# **STATISTICAL SECTION**

---



## Statistical Section

This part of the City of Reno's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b>Contents</b>	<b>Schedules</b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the City of Reno's financial performance and well-being have changed over time.</i>	1.1-1.5
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the City of Reno's most significant local revenue source, the property tax.</i>	2.1-2.5
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the City of Reno's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	3.1-3.4
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Reno's financial activities take place.</i>	4.1-4.2
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City of Reno's financial report relates to the services the City provides and the activities it performs.</i>	5.1-5.3

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Schedule 1.1**  
**City of Reno, Nevada**  
**Net Assets by Component**  
**Last Eight Fiscal Years**  
*(Accrual Basis of Accounting)*

	Fiscal Year							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 74,054,796	\$ 140,927,234	\$ 179,636,709	\$ 501,003,859	\$ 510,436,963	\$ 591,115,426	\$ 605,628,846	\$ 637,593,225
Restricted	58,237,414	214,513,161	140,155,187	59,321,040	72,827,824	103,243,224	125,756,908	120,187,886
Unrestricted	<u>(2,480,893)</u>	<u>(169,406,858)</u>	<u>(96,001,031)</u>	<u>(8,024,524)</u>	<u>3,486,919</u>	<u>(36,802,450)</u>	<u>(48,612,553)</u>	<u>(86,888,176)</u>
<b>Total governmental activities net assets</b>	<u>129,811,317</u>	<u>186,033,537</u>	<u>223,790,865</u>	<u>552,300,375</u>	<u>586,751,706</u>	<u>657,556,200</u>	<u>682,773,201</u>	<u>670,892,935</u>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	119,990,593	127,046,765	158,305,006	185,072,216	209,672,878	163,069,892	185,088,496	204,952,767
Restricted	1,462,902	1,470,070	3,187,697	5,206,160	5,010,153	1,682,273	-	24,416,215
Unrestricted	<u>95,259,575</u>	<u>96,303,139</u>	<u>79,524,841</u>	<u>62,198,502</u>	<u>53,146,772</u>	<u>125,437,544</u>	<u>118,104,121</u>	<u>93,398,336</u>
<b>Total business-type activities net assets</b>	<u>216,713,070</u>	<u>224,819,974</u>	<u>241,017,544</u>	<u>252,476,878</u>	<u>267,829,803</u>	<u>290,189,709</u>	<u>303,192,617</u>	<u>322,767,318</u>
<b>Primary government:</b>								
Invested in capital assets, net of related debt	194,045,389	267,973,999	337,941,715	686,076,075	720,109,841	754,185,318	790,717,342	842,545,992
Restricted	59,700,316	215,983,231	143,342,884	64,527,200	77,837,977	104,925,497	125,756,908	144,604,101
Unrestricted	<u>92,778,682</u>	<u>(73,103,719)</u>	<u>(16,476,190)</u>	<u>54,173,978</u>	<u>56,633,691</u>	<u>88,635,094</u>	<u>69,491,568</u>	<u>6,510,160</u>
<b>Total primary government net assets</b>	<u>\$ 346,524,387</u>	<u>\$ 410,853,511</u>	<u>\$ 464,808,409</u>	<u>\$ 804,777,253</u>	<u>\$ 854,581,509</u>	<u>\$ 947,745,909</u>	<u>\$ 985,965,818</u>	<u>\$ 993,660,253</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002

**Schedule 1.2**  
**City of Reno, Nevada**  
**Changes in Net Assets**  
Last Eight Fiscal Year:  
*(Accrual Basis of Accounting)*

	Fiscal Year							
	2002 <sup>1,2</sup>	2003	2004	2005 <sup>3</sup>	2006	2007	2008	2009
<b>Expenses</b>								
Governmental activities:								
General government	\$ 17,891,225	\$ 18,447,393	\$ 17,721,359	\$ 15,624,299	\$ 21,455,932	\$ 19,254,318	\$ 22,890,393	\$ 19,248,275
Judicial	4,026,192	4,130,566	5,002,728	5,204,457	6,079,294	6,475,679	7,842,206	8,079,846
Police	54,799,718	47,974,615	55,508,977	57,230,870	61,728,746	62,732,422	70,490,199	59,237,378
Fire	41,263,133	41,313,419	50,343,306	56,128,634	52,249,991	55,584,964	65,056,693	51,243,170
Public works <sup>o</sup>	19,403,364	23,329,696	24,934,712	51,600,829	55,125,179	58,003,230	67,445,200	94,265,944
Planning and community development	5,165,370	5,489,076	6,901,518	5,860,746	4,581,284	7,430,806	5,837,233	11,375,172
Culture and recreation	15,659,627	16,081,352	17,439,791	19,470,362	19,697,196	21,160,776	22,368,698	21,812,749
Urban redevelopment	1,349,781	1,716,205	2,516,724	3,454,927	5,683,381	3,276,761	3,552,503	4,122,270
Interest and fiscal charges, debt service	6,406,058	17,567,596	17,655,983	17,540,449	13,411,829	20,328,025	20,945,037	25,547,548
Subtotal, governmental activities expense	<u>165,964,468</u>	<u>176,049,918</u>	<u>198,025,098</u>	<u>232,115,573</u>	<u>240,012,832</u>	<u>254,246,981</u>	<u>286,428,162</u>	<u>294,932,352</u>
Business-type activities								
Sanitary sewer	24,622,533	25,327,746	27,012,523	29,668,235	34,529,836	38,822,685	41,914,533	45,214,366
Golf courses	2,378,168	2,150,809	1,970,295	1,938,796	2,036,125	1,802,658	1,779,539	1,548,215
Building permits	6,048,698	5,933,092	5,370,592	6,151,551	7,569,511	7,929,433	7,773,077	6,724,452
Animal services shelter <sup>5</sup>	965,714	1,114,066	2,322,400	2,383,231	1,144,277	-	-	-
Planning	-	-	-	4,621,742	4,689,393	4,798,275	3,776,183	3,024,012
Dispatch center	-	5,067,935	4,828,368	5,144,641	5,812,292	5,532,251	6,881,512	6,588,311
Subtotal, business-type activities expenses	<u>34,015,113</u>	<u>39,593,648</u>	<u>41,504,178</u>	<u>49,908,196</u>	<u>55,781,434</u>	<u>58,885,302</u>	<u>62,124,844</u>	<u>63,099,356</u>
Total primary government expenses	<u>199,979,581</u>	<u>215,643,566</u>	<u>239,529,276</u>	<u>282,023,769</u>	<u>295,794,266</u>	<u>313,132,283</u>	<u>348,553,006</u>	<u>358,031,708</u>
<b>Program Revenues (See Schedule 1.3)</b>								
Governmental activities:								
Charges for services:								
Business licensing	13,273,329	13,696,099	14,551,981	15,891,618	15,718,595	17,598,262	16,935,878	16,129,348
Franchise fees	12,502,243	12,331,104	12,922,556	14,908,232	16,365,353	18,215,086	19,207,234	18,995,180
Fire protection contract and services <sup>4</sup>	11,416,864	12,372,991	12,280,396	12,631,956	13,291,738	15,217,502	17,426,016	16,336,384
Parks and recreation	3,009,996	3,164,536	3,912,985	3,507,073	4,045,721	6,392,075	7,632,364	4,678,243
Fines and forfeitures	2,582,355	2,612,231	2,654,501	2,721,830	3,576,365	4,524,164	4,524,164	4,185,139
Insurance premiums	N/A	2,497,033	3,137,092	3,502,736	4,444,134	4,508,991	3,803,281	4,730,428
Other activities	4,917,913	7,090,828	12,897,585	15,782,309	9,951,870	6,400,398	4,551,194	12,081,651
Operating grants and contributions	6,850,005	8,381,978	6,183,124	4,518,286	6,113,851	6,948,651	7,053,153	6,366,984
Capital grants and contributions	40,311,605	56,401,220	48,469,078	47,852,071	63,266,466	96,546,791	75,035,849	50,180,570
Subtotal, governmental activities program revenue	<u>94,864,310</u>	<u>118,548,020</u>	<u>117,009,298</u>	<u>121,316,111</u>	<u>136,774,093</u>	<u>176,351,920</u>	<u>156,169,133</u>	<u>133,683,927</u>
Business-type activities:								
Charges for services:								
Sanitary sewer	22,098,386	23,663,275	25,998,547	26,056,319	32,279,919	37,020,435	41,126,820	41,383,449
Golf courses	1,870,950	1,837,518	1,774,513	1,541,647	1,455,237	1,209,708	956,396	859,604
Building permits	4,451,025	5,695,061	6,576,326	7,763,374	6,617,550	5,962,944	4,588,159	3,965,942
Animal services shelter <sup>5</sup>	456,404	609,517	142,538	175,321	17,528	-	-	-
Planning fees	-	-	-	4,386,410	5,531,428	2,648,536	1,731,509	1,366,191
Dispatch center	-	311,462	410,328	314,788	394,292	524,037	522,825	352,625
Operating grants and contributions	63,137	17,987	45,822	54,914	26,375	315,375	255,064	413,600
Capital grants and contributions	8,270,821	11,885,620	15,028,222	13,753,915	19,082,843	26,183,221	20,534,505	23,216,960
Subtotal, business-type activities program revenue	<u>37,210,723</u>	<u>44,020,440</u>	<u>49,976,296</u>	<u>54,046,688</u>	<u>65,405,172</u>	<u>73,864,256</u>	<u>69,715,278</u>	<u>71,558,371</u>
Total primary government program revenues	<u>\$ 132,075,033</u>	<u>\$ 162,568,460</u>	<u>\$ 166,985,594</u>	<u>\$ 175,362,799</u>	<u>\$ 202,179,265</u>	<u>\$ 250,216,176</u>	<u>\$ 225,884,411</u>	<u>\$ 205,242,298</u>
<b>Net (Expense)/Revenue</b>								
Governmental activities	(71,100,158)	(57,501,898)	(81,015,800)	(110,799,462)	(103,238,739)	(77,895,061)	(130,259,029)	(161,248,425)
Business-type activities	3,195,610	4,426,792	8,472,118	4,138,492	9,623,738	14,978,954	7,590,434	8,459,015
Total primary government net expense	<u>\$ (67,904,548)</u>	<u>\$ (53,075,106)</u>	<u>\$ (72,543,682)</u>	<u>\$ (106,660,970)</u>	<u>\$ (93,615,001)</u>	<u>\$ (62,916,107)</u>	<u>\$ (122,668,595)</u>	<u>\$ (152,789,410)</u>

Schedule 1.2 (Continued)

City of Reno, Nevada

Schedule 2 (Contd.)

Changes in Net Assets

Last Eight Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Taxes:								
Ad valorem taxes	\$ 47,796,806	\$ 49,529,532	\$ 49,592,261	\$ 51,518,055	\$ 55,118,928	\$ 63,710,224	\$ 68,342,284	\$ 74,689,217
Consolidated tax	40,757,992	42,948,773	47,480,733	52,372,923	54,708,166	55,256,937	51,266,041	43,552,723
SCCR taxes -- AB104	3,687,113	3,551,915	3,475,827	3,601,134	3,602,340	3,568,290	3,413,261	2,938,194
Sales taxes	6,443,210	6,725,011	7,409,815	8,260,700	8,925,336	8,895,013	8,737,761	9,167,714
Other taxes	1,012,118	2,332,083	9,462,124	9,823,511	10,634,323	11,005,390	15,838,338	21,896,196
Unrestricted County gaming contributions	2,176,194	2,396,644	2,020,849	2,174,280	1,895,490	1,820,891	1,953,433	1,615,321
Unrestricted investment and interest earnings	5,388,931	5,165,957	1,406,368	4,222,553	5,376,707	8,064,540	7,677,210	4,521,600
Miscellaneous	2,638,247	3,418,429	3,299,870	1,532,505	7,009,892	1,636,815	842,153	849,805
Gain on sale of capital assets						511,000	202,192	605,964
Special item								-
Transfers	(3,593,971)	(2,960,140)	(3,980,501)	(4,365,478)	(4,262,259)	(5,769,545)	(4,566,309)	(10,468,575)
Subtotal, government activities	106,306,640	113,108,204	120,167,346	129,140,183	143,008,923	148,699,555	153,706,364	149,368,159
Business-type activities:								
Taxes:								
Ad valorem taxes	-	-	1,797,437	2,198,185	87,677	-	-	-
Investment and interest earnings	1,233,189	464,392	(39,664)	468,596	715,402	1,455,917	837,324	641,075
Miscellaneous	111,047	255,580	2,008,515	288,583	1,471,656	155,489	8,841	6,036
Transfers	3,593,971	2,960,140	3,980,501	4,365,478	4,262,259	5,769,545	4,566,309	10,468,575
Subtotal, business-type activities	4,938,207	3,680,112	7,746,789	7,320,842	6,536,994	7,380,951	5,412,474	11,115,686
Total primary government	111,244,847	116,788,316	127,914,135	136,461,025	149,545,917	156,080,506	159,118,838	160,483,845
<b>Change in Net Assets</b>								
Governmental activities	35,206,482	55,606,306	39,151,546	18,340,721	39,770,184	70,804,494	23,447,335	(11,880,266)
Business-type activities	8,133,817	8,106,904	16,218,907	11,459,334	16,160,732	22,359,905	13,002,908	19,574,701
Total primary government	\$ 43,340,299	\$ 63,713,210	\$ 55,370,453	\$ 29,800,055	\$ 55,930,916	\$ 93,164,399	\$ 36,450,243	\$ 7,694,435

Notes:

<sup>1</sup> General Government program revenue total reflects a prior period adjustment to reclass franchise fees from general revenues to General Government program revenues. A breakdown of other Charges for Services is not available.

<sup>2</sup> Public Works program revenue total reflects a prior period adjustment to reclass sales tax for the ReTRAC project from programs revenues to general, other taxes.

<sup>3</sup> The Planning Enterprise Fund was established in fiscal year 2005.

<sup>4</sup> Charges for services for Fire includes Truckee Meadows Fire Protection District contract payments and federal strike team reimbursements.

<sup>5</sup> Animal Services was transferred over to Washoe County Effective July 1, 2005.

<sup>6</sup> Expenses for Public Works include a one-time, book-entry only expense related to the non-capital outlay for the Cabela's Series 2007 Sales Tax Increment Bonds.

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002

**Schedule 1.3**  
**City of Reno, Nevada**  
**Program Revenues by Function/Program**  
Last Eight Fiscal Years  
*(Accrual Basis of Accounting)*

Function/Program	Program Revenues							
	<u>2002</u>	<u>2003</u> <sup>1</sup>	<u>2004</u>	<u>2005</u> <sup>2</sup>	<u>2006</u> <sup>3</sup>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:								
General government	\$ 30,260,557	\$ 32,291,822	\$ 34,843,752	\$ 38,156,171	42,650,788	48,371,806	45,302,448	45,721,586
Judicial	168,836	534,251	606,625	715,007	893,399	1,010,668	4,714,397	4,142,341
Police	3,886,764	2,650,014	2,938,738	3,003,418	2,707,973	3,093,130	3,013,922	3,867,509
Fire	11,414,538	12,416,411	12,745,384	13,430,125	13,936,761	15,217,502	17,426,016	16,821,041
Public works	42,288,959	59,871,081	50,000,316	51,976,502	64,528,389	94,205,166	54,891,255	48,671,737
Planning and community development	3,830,159	4,927,120	8,137,378	5,796,930	4,120,470	6,481,360	6,537,116	8,736,279
Culture and recreation	3,014,497	5,534,931	7,446,416	7,782,413	7,297,178	6,392,075	7,632,364	4,887,576
Urban redevelopment	-	322,390	290,689	455,545	639,135	1,580,213	16,651,615	835,858
Subtotal, governmental activities revenues	<u>94,864,310</u>	<u>118,548,020</u>	<u>117,009,298</u>	<u>121,316,111</u>	<u>136,774,093</u>	<u>176,351,920</u>	<u>156,169,133</u>	<u>133,683,927</u>
Business-type activities:								
Sanitary sewer	30,369,207	35,548,895	41,026,769	39,810,234	51,387,762	63,499,031	61,911,325	65,014,009
Golf courses	1,870,950	1,837,518	1,774,513	1,541,647	1,455,237	1,209,708	956,396	859,604
Building permits	4,451,025	5,695,061	6,576,326	7,763,374	6,617,550	5,962,944	4,588,159	3,965,942
Animal services shelter	519,541	627,504	188,360	230,235	17,528	-	-	-
Planning	-	-	-	4,386,410	5,531,428	2,668,536	1,731,509	1,366,191
Dispatch center	-	311,462	410,328	314,788	395,667	524,037	527,889	352,625
Subtotal, business-type activities revenue	<u>37,210,723</u>	<u>44,020,440</u>	<u>49,976,296</u>	<u>54,046,688</u>	<u>65,405,172</u>	<u>73,864,256</u>	<u>69,715,278</u>	<u>71,558,371</u>
Total primary government revenues	<u>132,075,033</u>	<u>162,568,460</u>	<u>166,985,594</u>	<u>175,362,799</u>	<u>202,179,265</u>	<u>250,216,176</u>	<u>225,884,411</u>	<u>205,242,298</u>

Notes:

- <sup>1</sup> The Dispatch Center Enterprise Fund commenced operation on July 1, 2002.
- <sup>2</sup> The Planning Enterprise Fund commenced operation on July 1, 2004.
- <sup>3</sup> Operation of the animal services shelter was assumed by Washoe County effective July 1, 2005.

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002

**Schedule 1.4**  
**City of Reno, Nevada**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(Modified Accrual Basis of Accounting)*

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund										
Reserved	\$ 6,459,221	\$ 4,670,711	\$ 1,641,352	\$ 2,428,376	\$ 1,695,188	\$ 3,438,861	\$ 1,351,283	\$ 1,907,826	\$ 2,745,300	\$ 1,566,639
Unreserved	6,969,949	11,067,727	16,952,185	19,419,475	15,597,870	13,334,149	15,300,632	13,573,339	10,398,438	8,500,411
Total general fund	<u>\$ 13,429,170</u>	<u>\$ 15,738,438</u>	<u>\$ 18,593,537</u>	<u>\$ 21,847,851</u>	<u>\$ 17,293,058</u>	<u>\$ 16,773,010</u>	<u>\$ 16,651,915</u>	<u>\$ 15,481,165</u>	<u>\$ 13,143,738</u>	<u>\$ 10,067,050</u>
All Other Governmental Funds										
Reserved for:										
Reserved	57,689,530	60,513,114	213,472,300	303,124,056	241,401,679	117,776,135	66,023,924	82,122,834	87,381,222	138,925,867
Unreserved, reported in:										
Special revenue funds	9,325,894	16,552,572	13,846,805	5,084,400	8,695,310	5,786,466	2,593,727	9,425,040	8,957,581	1,173,909
Capital projects funds	(264,727)	(7,983,962)	(2,429,540)	(110,389,575)	(118,289,314)	(60,269,078)	8,940,698	(3,770,992)	(4,594,721)	(5,035,965)
Total all other governmental funds	<u>\$ 66,750,697</u>	<u>\$ 69,081,724</u>	<u>\$ 224,889,565</u>	<u>\$ 197,818,881</u>	<u>\$ 131,807,675</u>	<u>\$ 63,293,523</u>	<u>\$ 77,558,349</u>	<u>\$ 87,776,882</u>	<u>\$ 91,744,082</u>	<u>\$ 135,063,811</u>

**Schedule 1.5**  
**City of Reno, Nevada**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(Modified Accrual Basis of Accounting)*

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Revenues</b>										
Taxes	\$ 49,765,470	\$ 50,602,929	\$ 54,774,653	\$ 59,711,395	\$ 61,490,644	\$ 64,246,504	\$ 67,168,158	\$ 74,646,248	\$ 81,031,666	\$ 92,527,474
Licenses, fees and permits	21,872,367	23,881,811	26,067,201	26,361,845	27,758,399	31,153,624	32,283,822	35,975,919	36,567,669	35,398,399
Fines and penalties	2,613,657	3,051,065	2,802,813	2,728,491	2,745,003	2,806,405	3,624,141	4,524,164	4,574,634	4,185,139
Charges for service	9,389,750	9,650,090	9,058,772	9,606,143	13,592,054	7,314,653	8,494,849	7,958,794	8,178,560	19,177,677
Special assessments	2,016,836	1,692,971	4,223,674	2,904,775	2,317,235	4,040,392	4,157,862	2,701,017	2,871,440	2,607,993
Intergovernmental	61,366,637	73,005,269	74,509,251	87,509,446	91,674,996	95,757,876	99,876,867	109,091,955	84,288,149	94,593,393
Investment earnings	3,053,326	6,080,056	3,749,779	3,661,289	853,470	2,484,982	4,187,738	6,118,931	5,921,751	3,451,817
Other revenues	5,225,773	10,437,331	10,731,195	9,113,763	10,231,344	21,916,497	18,172,493	18,296,050	57,077,934	9,775,628
Total revenues	<u>155,303,816</u>	<u>178,401,522</u>	<u>185,917,338</u>	<u>201,597,147</u>	<u>210,663,145</u>	<u>229,720,933</u>	<u>237,965,930</u>	<u>259,313,078</u>	<u>280,511,803</u>	<u>261,717,520</u>
<b>Expenditures</b>										
General Government	13,725,400	17,480,723	17,842,682	16,667,848	13,961,260	15,603,717	17,080,258	17,777,657	17,731,055	16,192,548
Judicial	2,902,242	3,310,295	3,708,482	4,017,116	4,524,392	4,915,250	5,615,114	5,645,431	6,596,015	7,299,633
Police	44,222,361	45,645,049	50,295,366	45,588,649	47,405,724	51,888,871	55,068,000	59,087,045	61,320,552	60,060,538
Fire	22,697,865	35,082,618	37,200,107	39,846,654	42,803,148	47,762,718	46,764,717	52,458,590	56,309,536	54,151,668
Public works	20,593,986	19,354,298	27,470,609	23,500,835	21,125,778	24,438,773	20,792,868	21,499,497	28,283,348	24,407,892
Planning & community dev'pt	5,352,050	5,761,110	4,690,722	5,235,340	6,226,999	6,975,537	4,289,182	7,084,598	6,907,616	11,133,839
Culture and recreation	13,089,556	13,321,928	13,825,145	14,229,611	14,942,100	16,372,705	15,924,188	17,305,789	18,176,148	17,246,463
Urban redevelopment	1,764,461	1,260,556	2,621,822	1,424,710	1,548,241	2,071,514	2,347,178	2,288,753	2,983,836	3,834,292
Intergovernmental	613,002	709,008	1,097,868	1,451,756	2,590,208	3,394,609	5,500,472	3,872,818	4,365,179	3,773,363
Capital outlay	16,853,521	19,628,755	73,179,141	67,713,258	92,259,688	149,866,708	61,859,754	47,777,780	51,523,934	28,015,696
Debt service:										
Interest	6,298,800	6,056,523	5,463,416	16,901,960	17,429,743	16,789,578	11,703,107	18,350,174	18,517,670	22,442,015
Principal	5,780,310	9,075,216	9,124,695	9,106,337	8,206,423	9,399,109	9,830,437	9,490,866	9,755,905	11,943,401
Bond issue costs			11,553,713	584,896	52,810	120,226	8,806,979	1,053,997	9,378,659	1,570,557
Fiscal charges	47,780	53,036	15,321	148,452	121,582	432,854	885,460	809,851	1,022,214	1,902,391
Total expenditures	<u>153,941,334</u>	<u>176,739,115</u>	<u>258,089,089</u>	<u>246,417,422</u>	<u>273,198,096</u>	<u>350,032,169</u>	<u>266,467,714</u>	<u>264,502,846</u>	<u>292,871,667</u>	<u>263,974,296</u>
Excess of revenues over (under) expenditures	1,362,482	1,662,407	(72,171,751)	(44,820,275)	(62,534,951)	(120,311,236)	(28,501,784)	(5,189,768)	(12,359,864)	(2,256,776)
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing <sup>1</sup>	1,898,906	44,700	220,563,634	25,829,948	1,708,338	55,738,063	44,475,642	24,343,040	207,337,856	83,543,362
Proceeds from refunding <sup>1</sup>	-	-	4,265,000	23,294,817	3,714,422	-	269,493,568	20,657,894	-	-
Payments to Others										(30,731,864)
Payments to escrow agents	-	-	(4,265,000)	(23,596,955)	(3,655,582)	-	(259,675,524)	-	(184,623,631)	-
Refund of cash SAD prepayments	-	-	-	-	-	-	(478,872)	(20,405,473)	-	-
Gain (loss) on sale of capital assets	349,100	50,710	9,618,883	2,500	353,115	89,074	2,046,722	439,594	10,068	66,925
Transfers in	34,003,299	32,749,251	23,522,810	41,862,199	41,888,902	41,696,731	119,902,244	40,899,555	47,548,305	30,813,975
Transfers out	(32,608,594)	(29,906,134)	(22,740,487)	(46,388,604)	(52,056,931)	(51,605,189)	(128,661,948)	(52,128,091)	(56,282,961)	(42,749,965)
Total other financing sources (uses)	<u>3,642,711</u>	<u>2,938,527</u>	<u>230,964,840</u>	<u>21,003,905</u>	<u>(8,047,736)</u>	<u>45,918,679</u>	<u>47,101,832</u>	<u>13,806,519</u>	<u>13,989,637</u>	<u>40,942,433</u>
Net change in fund balances	<u>\$ 5,005,193</u>	<u>\$ 4,600,934</u>	<u>\$ 158,793,089</u>	<u>\$ (23,816,370)</u>	<u>\$ (70,582,687)</u>	<u>\$ (74,392,557)</u>	<u>\$ 18,600,048</u>	<u>\$ 8,616,751</u>	<u>\$ 1,629,773</u>	<u>\$ 38,685,657</u>
Debt service as a percentage of non-capital expenditures	8.8%	9.6%	8.0%	14.6% #	14.3%	13.3%	10.6%	12.9%	11.8%	14.5%

Notes: Proceeds from borrowing and proceeds from refunding are net of original issue premiums and discounts.

**Schedule 2.1**  
**City of Reno, Nevada**  
**Taxable Assessed Value and Actual Value of Property**  
**Last Ten Fiscal Years**  
*(In Thousands of Dollars)*

Fiscal Year	Vacant Property	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Other Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2000								4,084,454	\$ 3.4461	11,669,869	0.35
2001								4,318,883	\$ 3.4461	12,339,666	0.35
2002								4,380,916	\$ 3.5151	12,516,903	0.35
2003								4,501,165	\$ 3.5799	12,860,471	0.35
2004								4,757,490	\$ 3.6380	13,592,829	0.35
2005								5,105,374	\$ 3.6478	14,586,783	0.35
2006	547,337	3,259,772	2,175,812	625,783	1,255	60,623	1,073,606	5,596,976	\$ 3.6477	15,991,361	0.35
2007	486,154	3,853,039	2,254,125	537,450	1,363	60,814	1,075,872	6,117,073	\$ 3.6475	17,477,351	0.35
2008	576,364	4,285,823	2,577,443	585,893	1,417	61,222	1,282,063	6,806,099	\$ 3.6470	19,445,997	0.35
2009	606,435	4,948,148	2,749,449	675,530	1,486	65,340	1,366,826	7,679,562	\$ 3.6462	21,941,606	0.35

Source: Nevada State Department of Taxation and Office of the Washoe County Assessor  
A breakdown of property taxes by type for years 1999 through 2005 is not available.

Notes: Pursuant to State statute, all property is assessed at 35% of its estimated value.  
All amounts reflect the City of Reno, the Redevelopment Agency of the City of Reno, and the Reno Tax Increment District.

**Schedule 2.2**  
**City of Reno, Nevada**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
(Rate per \$1,000 of Assessed Value)

Fiscal Year	City Direct Rates			Overlapping Rates			
	City Operations	General Obligation Debt Service	City Total	State of Nevada	School District	Washoe County	Special Districts
2000	0.7804	0.1272	0.9076	0.1500	1.1385	1.2495	0.0005
2001	0.7946	0.1130	0.9076	0.1500	1.1385	1.2495	0.0005
2002	0.8442	0.1114	0.9556	0.1500	1.1385	1.2705	0.0005
2003	0.8337	0.1119	0.9456	0.1500	1.1385	1.3453	0.0005
2004	0.8555	0.0901	0.9456	0.1700	1.1385	1.3817	0.0022
2005	0.8555	0.0901	0.9456	0.1700	1.1385	1.3917	0.0020
2006	0.8767	0.0689	0.9456	0.1700	1.1385	1.3917	0.0019
2007	0.8767	0.0689	0.9456	0.1700	1.1385	1.3917	0.0017
2008	0.8760	0.0696	0.9456	0.1700	1.1385	1.3917	0.0012
2009	0.9310	0.0146	0.9456	0.1700	1.1385	1.3917	0.0004

Fiscal Year	Reno Increment District	Redevelopment Agency Debt Service
2000	3.4461	3.4461
2001	3.1782	3.1782
2002	3.5151	3.5151
2003	3.2398	3.2398
2004	3.2398	3.2398
2005	3.2398	3.2398
2006	3.2398	3.2398
2007	3.2500	3.2500
2008	3.2623	3.2623
2009	3.2144	3.2144

Source: State of Nevada, Department of Taxation/Redbook

**Schedule 2.3**  
**City of Reno, Nevada**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**  
*(In Thousand of Dollars)*

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Peppermill Casino Inc	\$ 111,153	1	1.99%	\$ 52,150	2	1.34%
Washoe Medical Center Inc	91,547	2	1.64%	31,950	7	0.82%
Credit Markets Real Estate Crp	72,100	3	1.29%	-		0.00%
Circus & ELDorado Jnt Venture	58,828	4	1.05%	83,062	1	2.14%
Golden Road Motor Inn Inc	48,361	5	0.86%	34,112	6	0.88%
Catholic Healthcare West Inc	47,383	6	0.85%	-		0.00%
International Game Technology	34,228	7	0.61%	29,795	8	0.77%
Prologis NA3 LLC	30,825	8	0.55%	-		0.00%
Montage Marketing Corp	30,773	9	0.55%	-		0.00%
Harrahs Operating Company	26,301	10	0.47%	29,144	9	0.75%
<b>Total</b>	<b>\$ 551,499</b>		<b>9.85%</b>	<b>\$ 260,213</b>		<b>6.70%</b>

Source: Office of the Washoe County Assessor  
Statistical Section of WC Assessor's office Reports-Top Reno Taxpayers  
NOTE: Does not include utility companies as these are centrally assessed by the State

**Schedule 2.4**  
**City of Reno, Nevada**  
**Property Tax Levies and Collections as of 6/30/09**  
**Last Ten Fiscal Years**  
*(In Thousand of Dollars)*

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	43,884	43,449	99.01	310	43,759	99.72
2001	44,839	44,300	98.80	261	44,561	99.38
2002	48,985	43,194	88.18	544	43,738	89.29
2003	46,177	45,572	98.69	504	46,076	99.78
2004	46,425	45,156	97.27	41	45,197	97.35
2005	48,263	47,836	99.12	237	48,073	99.61
2006	51,949	51,203	98.56	0	51,203	98.56
2007	59,649	59,075	99.04	232	59,307	99.43
2008	64,543	64,058	99.25	358	64,416	99.80
2009	70,391	75,345	107.04	863	76,208	108.26

1/ Excludes personal property tax

Source: Washoe County Assessor and Treasurer and City of Reno Finance Department

**Schedule 2.5**  
**City of Reno, Nevada**  
**Licenses and Permits by Category <sup>1</sup>**  
**Last 10 Fiscal Years**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Business licenses	\$ 8,269,089	\$ 8,809,129	\$ 9,308,935	\$ 9,814,258	\$ 10,813,952	\$ 11,901,676	\$ 12,320,382	\$ 13,868,588	\$ 13,419,739	\$ 12,633,107
City gaming licenses	3,055,963	3,085,365	2,898,537	2,798,038	2,646,162	2,848,771	2,367,783	2,548,837	2,364,451	2,201,449
Liquor licenses	996,339	1,020,381	1,046,357	1,083,803	1,091,867	1,141,170	1,030,430	1,180,837	1,151,688	1,294,792
Non-business licenses and permits	123,237	125,670	124,542	135,892	116,423	160,660	55,356	61,100	72,756	38,207
Electricity franchise fees	2,781,703	2,962,146	3,302,995	4,026,704	4,212,395	4,580,484	5,064,303	5,733,862	5,783,785	6,227,461
Telephone franchise fees	2,327,386	3,382,000	3,211,083	3,291,210	3,324,443	3,498,648	3,414,967	3,649,048	3,735,284	3,873,036
Natural gas franchise fees	890,174	1,128,210	2,144,211	1,507,664	1,617,493	1,728,638	2,071,950	2,458,676	2,368,616	2,205,186
Sanitation franchise fees	1,217,304	1,231,510	1,404,773	1,417,765	1,441,167	1,709,852	1,869,581	1,974,410	2,385,936	2,213,979
Water toll fees	718,839	782,920	980,149	689,154	920,836	939,670	961,514	1,007,879	998,524	959,311
Sewer-in-lieu-of-franchise fees	-	-	-	-	-	1,031,041	1,289,617	1,504,931	1,471,135	1,683,913
Cable television fees	1,116,985	1,201,741	1,459,032	1,398,607	1,406,222	1,419,899	1,692,421	1,886,280	2,463,954	1,832,294
<b>Total</b>	<b><u>21,497,019</u></b>	<b><u>23,729,072</u></b>	<b><u>25,880,614</u></b>	<b><u>26,163,095</u></b>	<b><u>27,590,960</u></b>	<b><u>30,960,509</u></b>	<b><u>32,138,304</u></b>	<b><u>35,874,448</u></b>	<b><u>36,215,868</u></b>	<b><u>35,162,735</u></b>

Note:  
<sup>1</sup> Property taxes represent the most significant "own-source" revenue. However, property tax information is presented through the Statistical Section. Therefore, the second largest category is being presented on this schedule.

Licenses and Permits presented are for General Fund Only

**Schedule 3.1**  
**City of Reno, Nevada**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
*In Thousands of Dollars, Except Per Capita)*

Fiscal Year	Governmental Activities							Business-type Activities			Total Primary Government	Percentage of Personal Income <sup>4</sup>	Per Capita
	General Obligation Bonds	Redevelopment Tax Allocation Bonds	Revenue Backed (Incl. Room Tax and/or Sales Tax) Bonds	Special Assessment Bonds	Loan Payable	Notes Payable <sup>5</sup>	Capital Leases <sup>1</sup>	Sanitary Sewer Bonds <sup>2</sup>	Sanitary Sewer Note Payable	Golf Course Bonds <sup>3</sup>			
2000	48,735	51,685	5,360	1,804	-	3,806	-	-	-	3,860	115,250	1.88%	554.81
2001	44,895	49,345	4,830	1,359	-	2,040	-	-	-	3,735	106,204	1.58%	506.67
2002	40,865	46,905	222,870	2,677	-	3,028	-	-	-	3,600	319,945	4.57%	469.36
2003	35,505	44,335	233,770	17,097	-	517	-	-	-	3,455	334,679	4.67%	409.44
2004	31,415	41,620	233,290	16,343	-	627	1663	-	-	3,505	328,463	4.40%	367.01
2005	30,220	38,765	232,780	15,599	50,500	589	2,519	-	-	3,295	374,267	4.44%	334.88
2006	28,480	35,755	338,986	25,401	-	541	2,549	26,280	43,070	3,115	504,177	5.50%	300.16
2007	22,965	35,325	361,623	24,488	-	497	2,208	70,606	8,033	2,930	528,675	5.44%	264.95
2008	17,640	34,260	368,366	25,125	-	6,453	5,062	101,971	-	2,735	561,612	5.95%	230.67
2009	57,690	33,980	400,136	23,530	-	8,142	4,374	96,122	-	2,535	626,509	6.39%	411.08

Notes:

- <sup>1</sup> Includes capital leases in the Motor Vehicles Internal Service Funds, which is classified as a governmental activity.
- <sup>2</sup> Sanitary sewer bonds outstanding in Fiscal Years 2006 and thereafter were general obligation bonds supported by sewer revenues.
- <sup>3</sup> Prior to FY 1998 and after FY 2001, golf course operations were reported as an Enterprise Fund. Between FY 1998 and FY 2001, golf course operations were reported within the Parks and Recreation Special Revenue Fund. The bonds are general obligation bonds supported by golf course revenues.
- <sup>4</sup> Personal income data is presented in Schedule 4.1.
- <sup>5</sup> Includes installment purchase agreements.

Population Source: Refer to Schedule 4.1

**Schedule 3.2**  
**City of Reno, Nevada**  
**Direct and Overlapping Debt**  
**As of June 30, 2008**  
*(In Thousands of Dollars)*

<u>Governmental Unit</u>	<u>Debt Outstanding <sup>2</sup></u>	<u>Estimated Percentage Applicable <sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
City of Reno	\$ 57,690	100.00	\$ 57,690
Washoe County School District	515,520	46.73	240,902
Washoe County	168,286	46.73	78,640
State of Nevada	<u>2,315,460</u>	6.53	<u>151,200</u>
Total	<u><u>\$ 3,056,956</u></u>		<u><u>\$ 528,433</u></u>

Notes:

1 Per Nevada Department of Taxation "Red Book" for 2008-2009

2 City of Reno -- See Schedule 3.1  
County and State - Washoe County Schedule 3.3 revised 9/29/06

Note: Represents general obligation bonds repaid through general property taxes.

**Schedule 3.3**  
**City of Reno, Nevada**  
**Ratios of General Bonded Debt Outstanding and Legal Debt Margin**  
**Last Ten Fiscal Years**  
(Dollars in Thousands, Except Per Capita)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General bonded debt outstanding										
General obligation bonds	48,735	44,895	40,865	35,505	31,415	30,220	28,480	22,965	17,640	57,690
Sanitary sewer bonds	-	-	-	-	-	-	26,280	70,606	101,971	96,122
Golf course bonds	3,860	3,735	3,600	3,455	3,505	3,295	3,115	2,930	2,735	2,535
Total	52,595	48,630	44,465	38,960	34,920	33,515	57,875	96,501	122,346	156,347
Percentage of estimated actual property value <sup>1</sup>	1.29%	1.13%	1.01%	0.87%	0.73%	0.66%	1.03%	1.58%	1.80%	2.04%
Per capita <sup>2</sup>	289.62	260.22	236.72	199.05	175.26	162.12	269.98	437.42	548.61	701.07
Less: Amounts set aside to repay general debt	(20,851)	(23,430)	(9,657)	(9,505)	(6,223)	(13,114)	(9,402)	(10,967)	(7,718)	(8,767)
Total net debt applicable to debt limit	31,744	25,200	34,808	29,455	28,697	20,401	48,473	85,534	114,628	147,580
Legal debt limit <sup>3</sup>	612,668	647,832	657,137	675,175	713,624	765,806	839,546	917,561	1,020,915	1,151,934
Legal debt margin <sup>4</sup>	580,924	622,632	622,329	645,720	684,927	745,405	791,073	832,027	906,287	1,004,354
Legal debt margin as a percentage of the debt limit	94.82%	96.11%	94.70%	95.64%	95.98%	97.34%	94.23%	90.68%	88.77%	87.19%

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> Property value data can be found in Schedule 2.1: Taxable Assessed Value and Actual Value of Property

<sup>2</sup> Population data can be found in Schedule 4.1: Economic and Demographic Indicators.

<sup>3</sup> The Charter of the City of Reno states that the City shall not incur an indebtedness in excess of 15 percent of the total assessed valuation of the taxable property within the boundaries of the City. The charter exempts (a) warrants or other securities which are payable upon presentation or demand or within 1 year from the date thereof, (b) securities payable from special assessments against benefited property, and (c) securities issued pursuant to any general or special law the principal and interest of which are payable solely from revenues of the City derived from other than general ad valorem taxes.

<sup>4</sup> The legal debt margin is the city's available borrowing authority under City ordinance and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit. Calculation of the City's legal debt margin is performed in accordance with NRS 266.600.

**Schedule 3.4**  
**City of Reno, Nevada**  
**Pledged-Revenue Bond Coverage**  
Last Ten Fiscal Years

Fiscal Year	Senior Lien Sales and Room Tax Revenue (ReTRAC) Bonds <sup>a</sup>						Capital Improvement (Events Center) Bonds					Sales Tax Anticipation Revenue (STAR) Bonds <sup>c</sup>			
	Room Tax Collections <sup>1</sup>	Sales Tax Collections <sup>1</sup>	Total Available Revenue	Principal	Interest	Coverage	Room Tax Collections <sup>2</sup>	Consolidated Taxes (15%) <sup>2</sup>	Principal	Interest	Coverage	Sales Tax Increment Collections	Principal	Interest	Coverage
2000	1,110,450	6,064,552	7,175,002	500,000	269,560	9.32	-	-	-	-	-	-	-	-	-
2001	1,101,831	6,369,790	7,471,621	530,000	246,560	9.62	-	-	-	-	-	-	-	-	-
2002	989,646	6,443,210	7,432,856	565,000	222,180	9.44	2,691,779	-	-	-	-	-	-	-	-
2003	978,896	6,725,011	7,703,907	-	5,483,695	1.40	5,596,237	6,442,316	-	6,257,902	0.89	-	-	-	-
2004	924,359	7,409,814	8,334,173	-	5,928,319	1.41	5,980,798	7,122,110	-	5,776,525	1.04	-	-	-	-
2005	948,736	8,260,700	9,209,436	-	5,928,319	1.55	5,811,018	7,855,938	-	5,776,525	1.01	-	-	-	-
2006	1,077,511	8,925,336	10,002,847	-	2,964,159	3.37	6,053,375	8,206,225	130,000	3,841,973	1.52	-	-	-	-
2007	1,074,435	8,895,013	9,969,448	-	7,794,611	1.28	6,285,727	8,288,540	285,000	4,858,814	1.22	-	-	-	-
2008	991,523	8,379,747	9,371,270	120,000	5,931,411	1.55	6,000,979	7,689,906	845,000	6,620,921	0.80	-	-	-	-
2009	735,302	7,080,474	7,815,776	820,000	6,269,671	1.10	6,011,087	6,532,908	1,045,000	9,190,524	0.59	2,087,240	240,000	1,258,956	1.39

Fiscal Year	Special Assessment Bonds				Lease Revenue Bonds (ReTrac, Fitzgeralds & Sierra Improvements)*			
	Special Assessment Collections <sup>4</sup>	Principal	Interest	Coverage	Property Lease Rents/Royalties Collections <sup>2</sup>	Principal	Interest	Coverage
2000	2,016,836	370,310	108,922	4.21	-	-	-	-
2001	1,692,971	490,216	111,415	2.81	-	-	-	-
2002	2,716,138	592,788	84,570	4.01	-	-	-	-
2003	2,904,775	564,627	306,721	3.33	-	-	-	-
2004	1,438,562	753,406	689,194	1.00	-	-	-	-
2005	1,506,847	757,135	657,297	1.07	-	-	-	-
2006 <sup>3</sup>	2,521,617	324,087	614,050	2.69	-	-	-	-
2007	2,556,699	913,344	1,596,036	1.02	-	-	-	-
2008	5,128,872	908,344	1,624,196	2.03	1,574,297	-	968,397.00	1.63
2009	5,153,446	1,594,344	1,653,299	1.59	1,251,328	175,000	512,280.00	1.82

Notes: <sup>a</sup> Series 1998 Nevada Sales and Room Tax Bonds were issued on 12/28/98. These bonds were then called and paid with proceeds from the Series 2002 Senior Lien Sales and Room Tax Bond issued on 06/26/02. Proceeds of both issues were for the rail transportation access corridor (ReTRAC) capital project.

<sup>1</sup> Sales and Room Tax Revenue Bonds are backed by a 1% tax on the rental of transient lodging within the City's Police Protection area, and by Washoe County's 0.125% sales tax, net of applicable fees and allowances, which is transferred to the City pursuant to an Interlocal Agreement. The amounts reported exclude interest earned on the revenue collections.

<sup>2</sup> Capital Improvement (Events Center) Bonds are backed by an irrevocable pledge on certain taxes imposed on the rental of transient lodging within Washoe County.

<sup>3</sup> Due to refinancing of 2002 SAD#5 Bonds, a \$465,000 principal payment was deferred in FY 2006 - which results in principal payments significantly less than prior year 2005 and 2004.

<sup>4</sup> Collections and Payment information have been adjusted to exclude Agency SAD's - information from Allen Gardner AMG

\* Began reporting FY 07/08

**Schedule 4.1**  
**City of Reno, Nevada**  
**Demographic and Economic Statistics**  
Last Ten Fiscal Years

Fiscal Year	Population <sup>1</sup>	Personal Income (thousands of dollars) <sup>2</sup>	Per Capita Personal Income <sup>3</sup>	Median Age <sup>4</sup>	Public School Enrollment <sup>5</sup>	Charter School Enrollment <sup>6</sup>	Unemployment Rate <sup>7</sup>
2000	181,603	6,144,901	33,837	37.3	28,939	-	3.0%
2001	186,883	6,731,339	36,019	35.6	27,006	-	4.0%
2002	187,834	7,005,269	37,295	35.6	29,195	-	4.8%
2003	195,727	7,173,590	36,651	35.8	32,503	-	4.6%
2004	199,249	7,459,484	37,438	35.9	33,797	-	3.8%
2005	206,735	8,422,797	40,742	34.5	38,575	-	3.8%
2006	214,371	9,165,646	42,756	35.3	39,611	1,810	4.0%
2007	220,613	9,713,811	44,031	35.3	40,169	1,967	4.5%
2008	223,012	9,440,544	42,332	35.7	40,470	2,042	6.4%
2009	223,012	9,808,068	43,980	34.6	40,336	2,212	11.8%

Sources:

- <sup>1</sup> Nevada State Demographer's office 1999-2007  
State of Nevada Department of Taxation, Demographer - 2008 Estimate  
State of Nevada Department of Taxation, Demographer - 2009 used projected figure to be certified by the Governor  
Correct Prior year estimate with new data from State of Nevada, Demographer
- <sup>2</sup> Personal Income 2009-calculated as Population X Per Capita Personal Income  
Personal Income 2009-Corrected Per Capita Personal Income with BEA Figures for each Calendar year this corrected each prior year
- <sup>3</sup> Per Capita Personal Income 2009-US Bureau of Economic Analysis Website ([www.bea.gov/regional](http://www.bea.gov/regional))  
Trued up all prior years with corrected information from each Calendar Yr. We report on fiscal yr; the US Govt reports on calendar yr  
Estimated 2009 figure 1st Qtr of 2009 X 43% (based on prior years; this is the percentage for Reno/Sparks Metro Area)
- <sup>4</sup> Bureau of Economic and Business Research, University of Nevada, Reno, 1995-1996  
State Demographer Office, UNR Small Business Development Center, 2000  
Washoe County Department of Community Development, 2001-2003  
Median age is for the entire County.  
Median Age - Not available for 2006 -- using 2005  
US Census Bureau-factfinder.census.gov Median Age is for Reno corrected 2006; used same figure for 2007 until new figures are available.  
US Census Bureau-factfinder.census.gov Median Age is for all of Washoe County
- <sup>4</sup> Washoe County School District
- <sup>5</sup> State of Nevada, Department of Employment, Training and Rehabilitation  
Rate is for the entire County.  
2006 - Nevada Workforce Informer - rate is for the entire county. This runs approximately 2 years in the past.  
2008-Nevada Workforce Informer - rate is up to date as of 6/2008
- <sup>6</sup> Washoe County School District - added Charter Schools to 05/06 to enrollment amounts

**Schedule 4.2**  
**City of Reno, Nevada**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2009			2000		
	Rank	(Average) Employees	Percentage of Total City Employment	Rank	Employees	Percentage of Total City Employment
Washoe County School District	1	8,750	4.35%	1	5,750	3.00%
University of Nevada-Reno	2	4,250	2.11%	3	2,750	1.60%
Washoe County	3	2,750	1.37%	4	2,750	1.60%
International Game Technology	4	2,750	1.37%	13	1,750	1.30%
Renown Regional Medical Ctr (formerly named Washoe Med)	5	2,250	1.12%	7	2,250	1.50%
Peppermill Hotel Casino	6	2,250	1.12%	5	2,750	1.40%
Circus Circus & ELDorado	7	1,750	0.87%	12	1,750	1.10%
City of Reno	8	1,750	0.87%	15	1,750	1.20%
Catholic Healthcare West	9	1,750	0.87%	11	1,750	0.90%
Atlantis Casino Resort	10	1,750	0.87%	9	2,250	1.30%
Total		<u>30,000</u>	<u>14.93%</u>		<u>25,500</u>	<u>14.90%</u>

Source: 2009 - Department of Employment Training & Rehabilitation (Nevada State Website)  
2000 - Department of Employment Training and Rehabilitation

Note: Does not include utility companies as these are centrally assessed by the State.

**Schedule 5.1**  
**City of Reno, Nevada**  
**City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2000	2001	2002	2003 <sup>1</sup>	2004 <sup>1</sup>	2005	2006 <sup>2</sup>	2007	2008	2009
General Government:										
Management	22.7	24.3	27.4	29.0	32.0	44.0	45.0	42.0	42.0	49.0
Records management/cashiering	13.0	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0
Finance <sup>a</sup>	22.0	23.0	28.5	28.5	31.5	33.3	32.2	33.0	33.3	33.3
Legal	29.0	32.5	32.5	33.5	34.0	34.0	35.0	35.0	35.0	35.0
Human resources <sup>b</sup>	8.4	16.7	18.8	18.5	15.6	16.5	15.5	15.5	15.5	15.5
Information technology <sup>c</sup>	17.5	19.0	23.8	22.8	24.3	27.2	29.2	28.2	30.0	30.3
Judicial:										
Judges	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Others	35.5	40.4	47.0	48.0	47.0	49.1	49.1	59.4	53.4	49.4
Police:										
Sworn employees	309.00	314.0	325.0	337.0	341.8	369.0	370.0	365.0	373.0	372.5
Non-commissioned employees	105.75	107.7	120.3	103.4	108.7	98.5	103.5	104.5	110.5	110.0
Fire:										
Authorized emergency personnel	237.8	303.0	277.0	308.0	308.0	336.0	336.0	345.0	339.0	344.0
Fire prevention officers	15.0	12.0	6.0	10.1	10.1	14.8	14.8	17.7	16.7	18.7
Others	18.5	32.5	36.0	30.7	30.7	20.0	21.0	20.0	29.0	22.0
Public works:										
Engineers	15.1	18.4	15.1	26.0	27.0	20.0	25.0	31.3	35.0	38.4
Fleet maintenance	13.4	13.7	14.5	16.1	15.1	11.0	11.3	16.1	16.1	16.1
Others	117.0	120.0	121.0	124.2	125.2	140.6	134.2	137.8	128.6	125.2
Planning & community development	26.9	22.1	22.0	26.4	30.5	40.6	41.5	76.8	36.5	39.5
Culture and recreation	71.2	69.0	77.8	79.8	79.8	82.2	86.5	87.5	92.8	92.7
Urban redevelopment	6.7	7.0	6.3	7.0	7.0	7.0	5.8	6.8	14.0	8.8
Sanitary sewer	48.0	48.3	56.7	58.7	59.2	63.3	66.5	64.3	69.3	69.3
Building permits	55.8	62.3	66.1	60.7	59.7	58.4	64.5	64.5	69.5	66.3
Golf course <sup>d</sup>	8.8	8.8	8.8	8.0	7.0	6.0	6.2	6.2	6.2	6.2
Animal services shelter	16.0	20.0	20.0	22.0	21.0	22.0	0.0	0.0	0.0	0.0
Dispatch services	73.3	70.0	68.8	68.8	64.3	68.5	68.5	69.5	69.5	69.5
<b>Total City Employees</b>	<b>1,290.2</b>	<b>1,401.5</b>	<b>1,436.1</b>	<b>1,484.0</b>	<b>1,495.2</b>	<b>1,578.0</b>	<b>1,577.3</b>	<b>1,642.1</b>	<b>1,630.8</b>	<b>1,626.9</b>

Note:

<sup>1</sup> The number of employees shown are approved full-time equivalent positions. Actual employee numbers may be less if there are vacant positions as of year end.

<sup>2</sup> Animal Services taken over by Washoe County in FY 2005/2006

<sup>a</sup> Includes Payroll Division employees effective FY 2003. Excludes Information Technology (IT) Dept employees.

<sup>b</sup> Includes Civil Service Department employees. Excludes Payroll Division employees effective in FY 2003.

<sup>c</sup> The IT Division of the Finance Dept was spun off into a new Internal Service Fund effective FY 2004. For presentation purposes, IT employees prior to FY 2004 are shown here.

<sup>d</sup> Brookside Golf Course closed October 1, 2006

Source: City of Reno Adopted Budget Books for the respective years

Note: Totals taken from the 08-09 projected Budget

**Schedule 5.2  
City of Reno, Nevada  
Operating Indicators by Function/Program  
Last Ten Fiscal Years**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u> <sup>1</sup>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Function/Program</b>										
General government:										
Active business licenses	9,593	10,873	12,189	14,033	16,716	20,640	24,461	25,089	25,574	25,574
Business license audits completed					65	70	90	95	186	175
Percentage of same day response to public requests for research of public documents	98%	98%	97%	97%	98%	96%	98%	98%	99%	100%
Judicial:										
Criminal cases prepared for trial					4,091	4,950	5,418	5,332	6,177	5,980
Cases filed in municipal court	19,462	22,309	22,641	22,347	25,750	25,779	41,207	44,416	38,844	40,500
Cases adjudicated in municipal court	31,231	22,202	21,992	22,365	24,954	27,632	27,632	42,459	30,327	40,000
Police: <sup>2</sup>										
Physical arrests	8,855	9,133	8,214	7,456	10,254	10,197	12,618	14,557	14,087	14,800
Misdemeanor citations	2,319	4,034	3,201	3,119	3,699	3,521	3,804	3,996	4,214	4,175
Traffic-related offenses cited	17,696	20,156	18,038	20,859	24,585	17,041	33,649	40,057	37,523	45,000
Fire:										
Fire emergencies	963	1,000	1,105	1,177	1,272	1,087	1,238	1,388	2,202	1,800
Emergency medical calls	10,219	15,344	14,366	15,298	16,792	18,476	16,099	24,573	29,732	27,000
Inspections	4,220	4,413	2,428	3,920	6,871	5,741	18,180	14,775	19,494	20,000
Public works:										
Streets reported in "fair" or better condition	75%	78%	80%	82%	79%	82%	84%	85%	85%	85%
Pothole calls received/% repaired within 24 hrs		175/100%	240/85%	1,200/95%	200/95%	185/95%	336/93%	168/100%	143/95%	71/100%
Culture and recreation:										
Participants in senior contract recreation programs	12,293	17,829	20,063	24,172	37,453	26,618	6,327	3,864	4,473	4,400
Participants in youth programs	2,250	2,550	3,450	3,600	3,780	3,893	4,088	4,546	3,865	3,750
Instructional swimming classes offered	550	510	509	500	500	1,200	1,200	1,200	1,750	1,670
Planning & community development										
Jobs generated by businesses in Redevelopment area		5	618	769	87	123	167	963	384	380
Affordable housing units developed in Redevelopment area	240	613	258	-	-	240	-	41	491	280
Housing rehabilitation projects completed	31	33	4	-	2	15	27	10	10	15
Sanitary Sewer:										
Lineal feet of sewer lines & storm drains maintained	1.4 mil	1.68 mil	1.86 mil	2.05 mil	3.1 mil	3.2 mil	3.4 mil	3.7 mil	3.7 mil	3.8 mil
Golf:										
Cost per acre per year to maintain golf courses	\$ 5,200	\$ 5,200	\$ 5,200	\$ 4,500	\$ 4,500	\$ 4,600	\$ 4,800	\$ 5,150	\$ 5,342	\$ 6,201
Building:										
Building permits issued	8,497	8,627	8,195	9,416	11,607	13,171	9,294	9,109	7,272	5,580
Avg. # of monthly building inspections performed		5,800	5,233	5,565	6,886	10,618	11,171	8,171	5,351	3,363
Code enforcement cases		1,605	1,764	2,453	2,714	3,367	4,481	4,184	4,499	4,840

**Notes:**  
 Figures in italics indicate targeted figure based on upcoming FY Budget Document that was prepared prior to final year-end figures becoming available.  
 All figures are trued up the following year based on new projections and actuals reported during budget process.

<sup>1</sup> Fire Inspection Figures are a lot higher due to implementation of new tracking through Fire

<sup>2</sup> Traffic violation information -- obtain from Lt. Mike Whan in the Traffic Division Ext #3844 Other PD information provided by the department statistician Steve Bigham

**Schedule 5.3**  
**City of Reno, Nevada**  
**Capital Asset and Infrastructure Statistics by Function/Program**  
**Last Ten Fiscal Years**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u> <sup>4</sup>
<b>Function/Program</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	3	3	3	3	3	3	4	4	4	3
Patrol units <sup>1</sup>							220	254	254	252
Fire:										
Stations	16	16	16	16	16	16	16	18	17	17
Fire fighting vehicles	28	28	28	29	31	35	36	54	59	41
Public works:										
Paved streets (miles)	524.1	532.0	524.1	532.0	546.0	579.0	582.0	637.1	654.0	654.0
Unpaved streets (miles)	1.7	1.9	1.7	1.9	1.9	1.9	1.9	3.6	0.8	0.8
Culture and recreation:										
Acreage	927	935	1,959	1,935	1,935	1,935	2,015	2,076	2,168	2,168
Park facilities	70	72	72	72	73	75	82	83	83	83
Playgrounds	46	48	48	48	51	51	51	52	52	52
Swimming pools	5	5	5	5	5	5	5	5	4	4
Sanitary sewer:										
Sanitary sewer lines (miles)	546.0	564.0	546.0	564.0	650.0	696.0	716.0	743.0	743.0	763.0
Storm drains (miles)	288.0	229.0	288.0	229.0	285.0	394.0	404.0	444.0	444.0	471.0
Treatment capacity millions of gallons)	41.5	41.5	41.5	41.5	41.2	41.2	41.2	41.2	44.0	44.0
Golf:										
Golf courses <sup>2</sup>	2	2	2	2	2	2	2	1	1	1

Source: Finance Department, Budget Division

- Notes:
- <sup>1</sup> Count for prior years not readily available
  - <sup>2</sup> Brookside Golf Course to close October 1, 2006
  - <sup>3</sup> Fire Vehicles include all fire apparatus and trucks able to pump water and be used in actual fires. FY 2007 & 2008 included other vehicles not used for this purpose
  - <sup>4</sup> Italicized numbers are based on the Annual City Budget totals and will be corrected next FY Downtown Substation was closed this FY

---

# **SINGLE AUDIT REPORT**

---





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

To the Honorable Mayor and Council Members  
of the City of Reno  
Reno, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Reno, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 7, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Reno's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

To the Honorable Mayor and Council Members  
of the City of Reno  
Reno, Nevada

Internal Control Over Financial Reporting (continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Reno'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 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*.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California  
December 7, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor and Council Members  
of the City of Reno  
Reno, Nevada

Compliance

We have audited the compliance of the City of Reno, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City of Reno's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Reno's management. Our responsibility is to express an opinion on the City of Reno's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 City of Reno's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Reno's compliance with those requirements.

In our opinion, the City of Reno complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

To the Honorable Mayor and Council Members  
of the City of Reno  
Reno, Nevada

Internal Control Over Compliance

The management of the City of Reno is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Reno's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 City of Reno's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.



Roseville, California  
December 7, 2009

**CITY OF RENO, NEVADA**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
<i>Child Nutrition Cluster</i>			
Passed through Nevada Department of Education, Office of Child Nutrition & School Health:			
Milk Distribution Program	10.556	--	\$ 13,417
Food Distribution Program	10.559	--	69,242
Subtotal Pass-through			<u>82,659</u>
Total Child Nutrition Cluster - \$82,659			
Total U.S. Department of Agriculture			<u>\$ 82,659</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Economic Development Initiative - Senior Addition	14.251 *	--	735,390
Community Development Blocks Grant/Brownfields Economic Development Initiative - Wells Landscaping	14.251 *	--	5,766
Economic Development Initiative - Oliver & Montello	14.251 *		320,457
Subtotal CFDA 14.251			<u>1,061,613</u>
Community Development Block Grants-Entitlement Grants	14.218	--	2,146,183
HOME Investment Partnerships Program	14.239 *	--	1,778,580
Emergency Shelter Grants Program	14.231	--	132,845
Subtotal			<u>4,057,608</u>
Subtotal Direct			<u>5,119,221</u>
Passed through Nevada State Housing Division:			
Community Development Block Grants/State's Program: Neighborhood Stabilization Program No. 1	14.228		811,319
Emergency Shelter Grants Program	14.231	--	28,232
HOME Investment Partnership Program - State of Nevada	14.239 *	various	62,705
Subtotal Pass-through			<u>902,256</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 6,021,477</u>
<u>U.S. Bureau of Reclamation</u>			
Direct Programs:			
Providing Water to At-Risk Natural Desert Terminal Lakes (Lower Truckee River Improvements)	15.508	--	2,209,589
Total U.S. Bureau of Reclamation			<u>\$ 2,209,589</u>

\* Major Program

**CITY OF RENO, NEVADA**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Justice</u>			
Direct Programs:			
Edward Byrne Memorial Justice Assistance Grant - FY05	16.738	--	\$ 22,788
Edward Byrne Memorial Justice Assistance Grant - FY07	16.738	--	134,932
Edward Byrne Memorial Justice Assistance Grant - FY08	16.738	--	37,297
Subtotal CFDA 16.738			195,017
Public Safety Partnership and Community Policing Grant	16.710 *	--	363,497
Subtotal Direct			558,514
Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance:			
Protecting Inmates and Safeguarding Communities	16.735	08-JAG-05S	23,992
Subtotal Pass-through			23,992
Passed through Nevada Department of Health and Human Services, Division of Child and Family Services:			
Crime Victim Assistance Grant	16.575	VOCA3145/20S-FY07-09-089	139,871
Subtotal Pass-through			139,871
Passed through Nevada Office of Attorney General:			
Violence Against Women Formula Grants	16.588	2007-STOP-03	33,815
Violence Against Women Formula Grants	16.588	2008-STOP-03	13,831
Subtotal Pass-through			47,646
Passed through Boys and Girls Club of the Truckee Meadows:			
Community Capacity Development Office Operation Weed and Seed South 07-08	16.595	--	39,200
Total U.S. Department of Justice			\$ 809,223
<u>U.S. Department of Transportation</u>			
Passed through Nevada Department of Transportation:			
Highway Planning and Construction - Railroad Corridor	20.205	STP-0031 (060)	5,332,447
Passed through Nevada Department of Public Safety, Office of Traffic Safety:			
State and Community Highway Safety - Motorcycle Project	20.600	28-AL-3/27-J8-18-14	48,925
State and Community Highway Safety - Speed Campaign	20.600	29-JF-1.1	179,301

\* Major Program

**CITY OF RENO, NEVADA**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Transportation</u>			
Passed through Nevada Department of Transportation:			
Highway Planning and Construction - Railroad Corridor			
State and Community Highway Safety - Speed Campaign	20.600	29-TR-2.2	\$ 10,189
State and Community Highway Safety - Speed Campaign	20.600	29-406PT-4.2	9,797
Subtotal - Pass through			<u>248,212</u>
Total U.S. Department of Transportation			<u>\$ 5,580,659</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State of Nevada Welfare Division			
The Behavior Analysis Project and Child Care Training	93.575	--	<u>20,000</u>
Total U.S. Department of Health and Human Services			<u>\$ 20,000</u>
<u>U.S. Department of Homeland Security</u>			
Passed through State of Nevada, Division of Emergency Management (FEMA):			
Hazard Mitigation Grant	97.039	--	10,350
2007 Assistance to Firefighters Grant	97.044 *	EMW-2007-FV-04668	103,680
Subtotal Pass-through			<u>114,030</u>
Passed through State of Nevada, Department of Public Safety:			
Emergency Management Performance Grant	97.042	--	<u>123,308</u>
Total U.S. Department of Homeland Security			<u>\$ 237,338</u>
Total Expenditures of Federal Awards, Excluding Loans			<u>\$ 14,960,945</u>

\* Major Program

**CITY OF RENO, NEVADA**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>Beginning Federal Loan Balances With a Continuing Compliance Requirement</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Community Development Block Grants/States Program	14.218	--	\$ 1,180,636
Home Investment Partnership Program	14.239 *	--	<u>27,269,416</u>
Federal Loan Balances with a Continuing Compliance Requirement			<u>\$ 28,450,052</u>
Total Expenditures of Federal Awards Including Loans			<u><u>\$ 43,410,997</u></u>

\* Major Program

# CITY OF RENO, NEVADA

## Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

### 1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Reno. The City of Reno reporting entity is defined in Note 1 to the City's financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included in the schedule.

### 2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is sometimes prepared on a basis other than that used to record transactions in the accounting records and as reported in the basic financial statements (such as cash basis). The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

### 3. Subrecipients

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the City of Reno provided federal awards to subrecipients as follows:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Provided to Subrecipients</u>
14.218	Community Development Block Grants – Entitlement Grants	\$ 304,901
14.239	HOME Investment Partnership Program – State of Nevada	<u>228,728</u>
	Total	<u>\$ 533,629</u>

### 4. Pass-Through Entities' Identifying Number

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the City either was unable to obtain an identifying number from the pass-through entity or has determined that no identifying number is assigned for the program.

**CITY OF RENO, NEVADA**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

**5. Total Federal Awards Expended by CFDA Number**

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards presents totals of all programs under the one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
14.231	\$ 161,077
14.239	1,841,285

**6. Loans with Continuing Compliance Requirement**

Loans funded through federal programs, for which the federal government is at risk, carried the following balances as of June 30, 2009:

Federal CFDA Number	<u>Program Title</u>	<u>Amount Outstanding July 1, 2008</u>	<u>Amount Outstanding June 30, 2009</u>
14.218	Community Development Block Grant	\$ 1,180,636	\$ 1,177,833
14.239	HOME Investment Partnership Program	<u>27,269,416</u>	<u>25,678,388</u>
TOTAL		<u>\$ 28,450,052</u>	<u>\$ 26,856,221</u>

**7. Type A Threshold**

Loans outstanding with a continuing compliance requirement are not included in the Type A threshold presented in the Schedule of Findings and Questioned Costs because inclusion of these loans would significantly affect the number or size of Type A programs. OMB A-133, § 520(b)(3) requires that the loans be excluded from the Type A threshold under these circumstances.

**CITY OF RENO, NEVADA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2009

**Section 1**

Summary of Auditor's Results

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:  | Unqualified   |
| 2. Internal control over financial reporting:                                    |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted?                         | No            |

Federal Awards

- |   |               |
|---|---------------|
| 1. Internal controls over major program:  |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiencies identified not considered to be material weaknesses   | None Reported |
| 2. Type of auditor's report issued on compliance for major program:   | Unqualified   |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | No            |

4. Identification of major program:

CFDA Number

Name of Federal Program

14.239	HOME Investment Partnerships Program
14.251	Economic Development Initiative-Special Project
16.710	Public Safety Partnership and Community Policing Grant
97.044	Assistance to Firefighters Grant

- |  |            |
|--|------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs (See Footnote 6). | \$ 448,828 |
|--|------------|

**CITY OF RENO, NEVADA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2009

**Section 1** (continued)

Summary of Auditor's Results

6. Auditee qualified as a low-risk auditee under  
OMB Circular A-133, Section 530?

No

**Section 2**

Financial Statement Findings

None Reported

**Section 3**

Federal Award Findings and Questioned Costs

None Reported

**CITY OF RENO, NEVADA**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2009

<u>Audit Reference Number</u>	<u>Status of Prior Year Audit Findings</u>
<b>Finding 08-SA-1</b>	<i>Federal Grantor: U.S. Department of Homeland Security</i>
	<i>Pass-Through Entity: None</i>
Assistance to	<i>Compliance Requirement: Procurement , Suspension and Debarment</i>
Firefighters Grant	<i>Reporting Requirement: Material Weakness and Material</i>
CFDA 97.044	<i>Non-Compliance in Relation to a Compliance Requirement</i>
Award No. N/A	
Year: 2007-2008	<u>Condition</u>
	We inquired about the City's procedures regarding suspension and debarment. We tested two vendors. Suspension and debarment had not been checked for one vendor.
	<u>Recommendation</u>
	We recommend that the Department implement procedures to ensure that suspension and debarment are checked for any federally-funded transaction, which equals or exceeds \$25,000 or for any amount with a subrecipient. A list of suspended and debarred parties is available online from the Excluded Parties List System at < <a href="http://www.epls.gov">http://www.epls.gov</a> >.
	<u>Status</u>
	Corrected.

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

## **AUDITOR'S COMMENTS**

---



## **NEVADA REVISED STATUTE 354.626**

### STATUTE COMPLIANCE

The required disclosure on compliance with the Nevada Revised Statutes and Nevada Administrative Code is contained in Note 19 to the financial statements.

### PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The following action was taken during 2008-09 relating to the potential violations reported in the June 30, 2009 audit report:

- Actual expenditures and expenses were monitored during the year ended June 30, 2009. There were, however, overexpenditures during the current year as reported in Note 18 to the financial statements.

### PRIOR YEAR RECOMMENDATIONS

There were no specific recommendations made in the audit report for the year ended June 30, 2008.

### CURRENT YEAR RECOMMENDATIONS

We did not find any financial weaknesses of a magnitude to justify inclusion within our audit report.

\*\*\*\*\*

The City of Reno's continuing efforts toward superior financial reporting and presentation were again acknowledged by the Government Finance Officers Association when the City was awarded the Certificate of Achievement for Excellence in Financial Reporting for its June 30, 2008, Comprehensive Annual Financial Report. We would like to congratulate the City on this achievement.

**CITY OF RENO, NEVADA**

Schedule of Business License Fees  
Subject to the Provisions of NRS 354.5989  
For the Year Ended June 30, 2009

Flat/Fixed Fees:

Business license revenue for the year ended June 30, 2008 (base year)		<u>\$ 1,455,894</u>
Adjustment to Base:		
1. Percentage increase in population of the local government	0.00%	
2. Percentage increase in the Consumer Price Index for the year ending on December 31 next preceding the year for which the limit is being calculated	<u>3.50%</u>	
Total adjustment percentage	<u>3.50%</u>	
Adjustment amount (base x percentage)		<u>50,956</u>
Adjusted Base, June 30, 2009		1,506,851
Actual Revenue 2008-2009		<u>520,463</u>
Amount Over (Under) Allowable Amount		<u><u>\$ (986,388)</u></u>

Fees Calculated As A Percentage Of Gross Revenue:

Business license revenue for year ended June 30, 2008		\$ 16,129,348
Percentage Increase In The Consumer Price Index	3.500%	<u>564,527</u>
Adjusted Base, June 30, 2009		16,693,875
Actual Revenue		<u>13,075,847</u>
Amount Over (Under) Allowable Amount		<u><u>\$ (3,618,028)</u></u>