COMPREHENSIVE ANNUAL FINANCIAL REPORT

FY 2014

BIGGEST LITTLE CITY IN THE WORLD

CITY OF RENO

CITY OF RENO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

STATE OF NEVADA

CITY OF RENO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2014

STATE OF NEVADA

PREPARED BY
FINANCE DEPARTMENT
ROBERT CHISEL
DIRECTOR OF FINANCE AND ADMINISTRATION

CITY OF RENO

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INTRODUCTORY SECTION

November 24, 2014

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, 2014 is hereby submitted. State law requires that local governments provide 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 (referred to herein as either Reno or the City). 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 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's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City'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's financial statements have been audited by Piercy Bowler Taylor & Kern, Certified Public Accountants & Business Advisors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2014 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 unmodified opinion that the City's financial statements for fiscal year ended June 30, 2014, 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 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 the two documents should be read in conjunction. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Reno, Nevada, 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 as established by statute or the City's charter. These services include 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; 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 but not a component unit because the City's accountability does not extend beyond the appointment of board members.

The City maintains budgetary controls to ensure compliance with legal provisions as part of the annual appropriated budget, as augmented, that was approved by the City Council and the State of Nevada's Department of Taxation. In April, the City Manager submits a tentative budget for the fiscal year to the City Council, the Nevada Department of Taxation, and the citizens of Reno. 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 discussed, are conducted on the third Tuesday in May. The City Council adopts the budget prior to June 1st 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 Conditions

Reno and the Washoe County continue to be affected by the most recent global recession, although there are some small signs of recovery. In the Reno-Sparks region, July's unemployment count stood at 7.3%, which is down from the August 2013 rate of 9.2%. Nevada has an unemployment rate of 8.0%, exceeding the national average by 1.8% in July 2014. Foreclosures decreased overall in Washoe County and Reno with a 51% decrease in the filings from August 2013 to August 2014. This appears to be a continuing result of the impact of Nevada's new Homeowner's Bill of Rights. These declines show that the law passed by the 2013 Nevada Legislature is slowing down the process.

The median price of residential properties sold in Washoe County increased during 2014. Washoe County home values have gone up 15.8% over the past year, with the current median home value at $243,250.

Because of the volatility in the market, the Washoe County Assessor's Office moved to an annual appraisal cycle. In fiscal year 2013/14, property taxes declined 1.5%. For fiscal year 2014/15, the City budgeted for property taxes to increase 3%. The Washoe County Assessor anticipates property taxes will begin to rise again, though at a modest pace, and the City will most likely be consistent with the Washoe County Assessor's assumption.

After two years of declines in consolidated tax (CTAX) revenues of (15.0%) and (10.8%) in fiscal years 2008/09 and 2009/10, respectively, fiscal years 2010/11 through 2013/14 saw steady increases in CTAX, the smallest being 1.2% in FY 2010/11 and the largest being 8.5% in FY 2013/14. The City is hopeful this major revenue source has now stabilized and will not experience such sharp declines going forward. For fiscal year 2014/15, the City has budgeted a 2.5% increase over the prior fiscal year actual amount. Fiscal year 2013/14 also saw increases in other revenue categories, particularly in gas, electric and sanitation franchise fees.

The State of Nevada, Washoe County and the City continue to focus efforts in diversifying the economy. In fiscal year 2012, Apple announced its plans to build a data center in Washoe County and has made a commitment to invest $400 million over the next four years, and $1 billion over 10 years. The data center is estimated to generate up to 41 jobs, 200 long-term contractors and 580 direct construction jobs. In addition to the large investment in the community promised by Apple, the Economic Development Authority of Western Nevada (EDAWN) reported assisting 32 companies to relocate to or expand in Washoe County, creating a projected 2,500 new jobs within five years. This is an 18% increase in assisted jobs announced last year.

For future fiscal years, there are three major business expansions into the Reno area. Ashima Devices, a manufacturer of unmanned aerial vehicles (drones), will move its headquarters to Reno. Approximately 400 jobs are expected by 2018. In addition, Amazon is moving its warehouse from Fernley to Reno. The Amazon warehouse employs 4,000 during the holiday season and 600 to 900 during the remainder of the year. Finally, Tesla Motors is building a $5 billion gigafactory east of Reno. The project will produce 3,000 construction jobs in the near term and 6,500 employees after completion in 2017.

The State Business Tax Climate Index for 2014, which is published by the Tax Foundation, ranked Nevada as third in the nation for its business friendly tax climate. The Reno Aces AAA baseball team, as well as the myriad of year-round outdoor activities from alpine skiing to hiking to kayaking, still makes Reno an attractive location. Washoe County is reporting an increase in visitor volume of 17.3% in Washoe County for fiscal year 2013/14 compared to a year earlier.

The area climate offers four distinct seasons with few extremes. Average temperatures range from winter lows in the 20's to summer highs in the 90's. Low humidity characterizes the high-desert climate, making cold days seem not so cold and warm days not too hot. Cloudy days and rain are scarce with more than 300 days of sunshine each year and snow is a certainty, though it tends to melt by late afternoon in the valleys. All of this makes the area spectacular for enjoying the outdoors, including hunting, fishing, biking, hiking, skiing and many other activities. All of these factors contributed to the area being ranked number one in outdoor recreation in U.S. Rand McNally and Reno being ranked the sixth "Most Active City" in America by Men's Health Magazine.

City management continues to take a very aggressive stance on controlling expenses given uncertainty regarding future revenues. Since 2009, the City has reduced full-time equivalent positions by 524. Non-represented employees have continued a 7.5% pay cut for fiscal year 2013/14, and bargaining units are negotiating salary reductions in addition to other concessions. The City has continued the freeze on non-essential spending. Restructuring has also occurred at all levels in the organization to promote efficiencies in operations and service delivery, and additional opportunities are constantly being identified and analyzed. Senior management will continue to remain vigilant and pro-active in identifying and addressing the realities posed by the current economic situation.

Long-Term Financial Planning

With the effect of Indian gaming and other economic factors on gaming in northern Nevada, efforts to diversify Reno's economy by bringing new industries to the area have intensified. During the 2011 session, the Nevada State Legislature passed a state economic stimulus package. The Department of Economic Development was created under the Governor's Office to develop policies and procedures governing how municipal, county, and state entities can access those funds. The City continues to work with the Economic Development Authority of Western Nevada to recruit companies with high paying jobs in targeted industries, such as renewable energy, to the area. 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, manufacturing, and logistics facilities in a number of high tech and service industries.

In order to position the City to successfully weather a long-term economic downturn while capitalizing on opportunities that can be developed under the current conditions, staff continues developing a number of financial planning tools. In addition to the austerity measures mentioned above, staff is overhauling the strategic planning and deployment systems to best align the City's scarce resources with Council objectives.

Furthermore, the City is collaborating with other local agencies on analyzing opportunities for shared service and consolidation, as well as creating a regional approach to economic development. Partner organizations include Washoe County, the City of Sparks, University of Nevada – Reno, EDAWN, the Reno-Sparks Convention and Visitors Authority, the Regional Transportation Commission, Washoe County School District, and many others, both formally and informally. The community has a long history of successfully collaborating on regional approaches to issues, with over 60 services provided through joint agreements or as shared services.

Lastly, the management team has begun deploying different tactics designed to increase efficiency and effectiveness, including a process improvement initiative, increased transparency, and targeted implementation of the Council's managed competition policy

Relevant Financial Policies

Rainy Day Reserves — In compliance with state law, the General Fund Financial Policy requires budgeted, unreserved fund balance to be established at 4% of prior year expenditures, which is included in the fiscal year 2013/14 budget. The City is in compliance with this requirement and has budgeted for an ending fund balance of 7.34% for fiscal year 2014/15. For fiscal year 2014/15, the City has also budgeted $1.7 million to partially replenish the stabilization reserve, which is reported in the General Fund. The goal is to maintain $2.1 million in stabilization reserves. The City recognizes the importance of these reserves, along with a conservative approach to spending, in giving the City a greater level of flexibility in responding to unforeseen revenue reductions.

OPEB Funding — The City's decision to fund only pay-as-you-go costs rather than the full annual other post-employment benefit (OPEB) costs will result in continued growth in the City's unfunded actuarial accrued liability, as well as an increasing OPEB liability of approximately $18-19 million each year, as presented in the government-wide financial statements and proprietary fund statements. However, given the current economic environment, the City does not have the resources at this time needed to fully fund the annual OPEB cost but has created an OPEB trust so amounts may be put aside to fund this growing liability.

Risk Management – The City has implemented a rigorous risk management program to help control its exposure to potential claims and thus reduce its costs. On July 31, 2014, Starr Companies conducted an independent and comprehensive review of the Risk Division of the City Attorney Office's claim handling, risk management, and loss control practices. Starr Companies specifically stated that it confirmed "Reno competently handles and aggressively litigates and resolves Reno's high exposure claims within Reno's $1,000,000 retained limit" and "Reno maintains a skilled and dedicated pro-active internal claims staff and an internal legal defense team."

Major Initiatives

Most of the efforts during fiscal year 2013/14 continued to be focused on addressing the challenges of the unfunded liabilities and the massive revenue reductions experienced over the past several years through reductions in force, reallocation of resources, and the reorganization of City staff. Throughout the year, management, Finance, and budget staff spent a great deal of time ensuring that the City's finances met all applicable standards and corrective actions were taken to ensure that all funds were brought into alignment with Council policy, state law, governmental accounting standards, and GAAP. A great deal of attention was also given to managing the City's debt portfolio given the weakness in pledged revenues. A key emphasis was on making changes that would support long-term stability.

Each year, the Reno City Council revisits Reno's purpose, vision and mission; from that, Council identifies priorities which establish the programs and services funded for current and future fiscal years. Fiscal year 2013/14 was a year in which Council continued a re-visioning of Reno, focusing on long-term fiscal planning and performance management strategies to determine what services our residents will need and want and obtain resources for those services.

ThinkReno is a process and a cultural change, which includes the City's Strategic Plan, representing a significant shift in order to make Reno the type of community the City wishes to provide for its residents and visitors. The Council Priorities for fiscal year 2014/15 are Safe and Livable Neighborhoods, Efficient and Responsive City Services, Sustainable and

Vibrant Economy, and Enhanced Communication and Community Engagement. The goals and objectives for each of these priorities are found in the Strategic Plan. The City has implemented a transparent initiative by posting all employee salaries, expenses and revenues on reno.gov. These cash receipts and disbursements are presented in a detailed format to allow the public to review itemized transactions. Information is updated regularly so the citizens of Reno have the ability to see where their money is being spent.

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 for its comprehensive annual financial report for the fiscal year ended June 30, 2013.

This was the 31st 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 Piercy Bowler Taylor & Kern, Certified Public Accountants & Business Advisors. 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, preparation of this report would not have been possible.

Respectfully submitted,

Robert Chisel

Robert Chisel
Director of Finance and Administration

Government Finance Officers Association

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

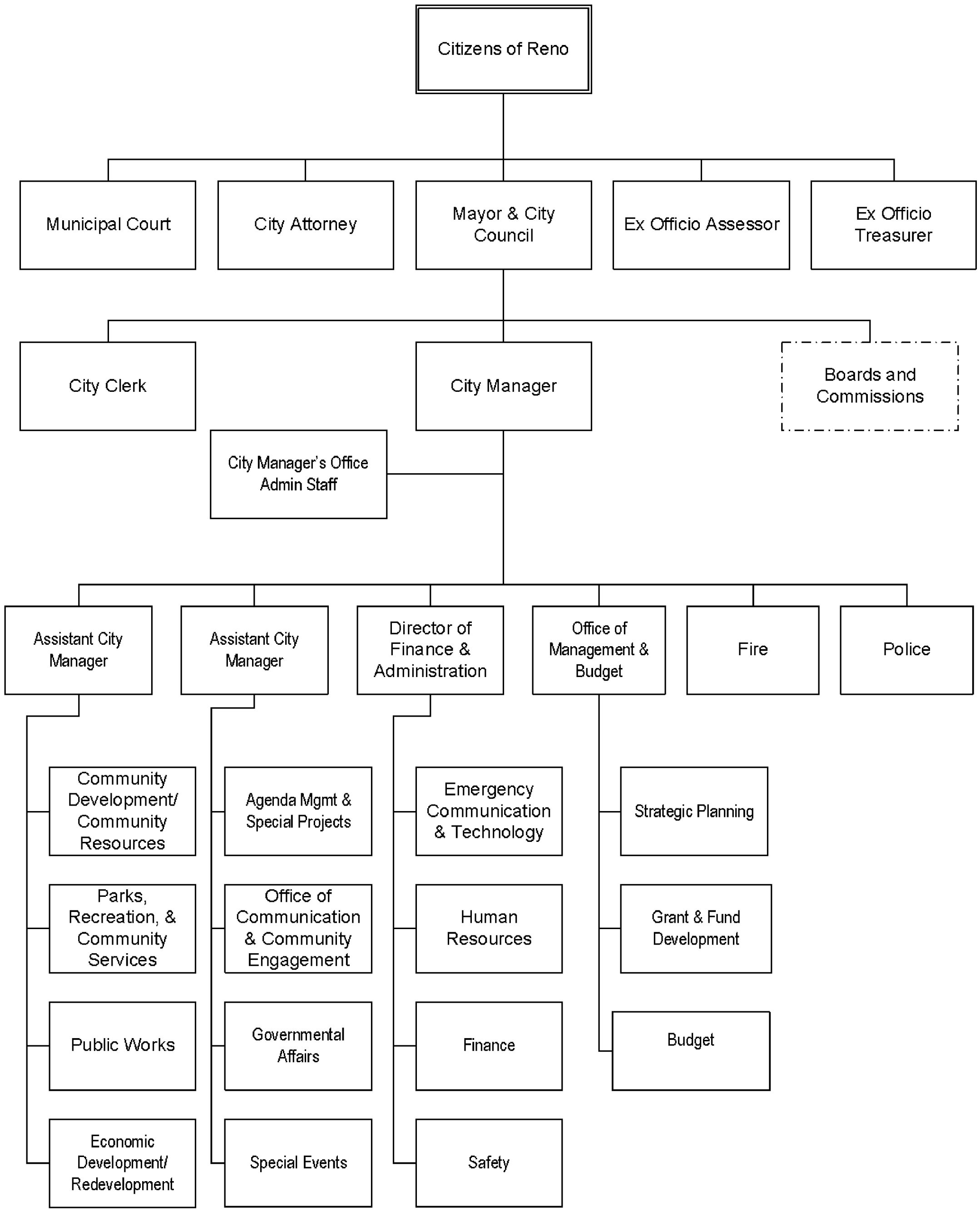
June 30, 2013

Executive Director/CEO

CITY OF RENO

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2014



CITY OF RENO

CITY OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2014

CITY COUNCIL

Robert A. Cashell, Sr., Mayor
Jenny Brekhus, Coucilmember, Ward 1
Sharon Zadra, Coucilmember, Ward 2
Oscar Delgado, Coucilmember, Ward 3
Dwight Dortch, Coucilmember, Ward 4
Neoma Jardon, Coucilmember, Ward 5
Hillary Schieve, Coucilmember, At Large

CITY MANAGER

Andrew Clinger

OTHER ELECTED OFFICIALS

John Kadlic, City Attorney
Jay Dilworth, Judge
William Gardner, Judge
Kenneth Howard, Judge
Dorothy Nash Holmes, Judge

CITY CLERK

(Appointed by the City Council)

Lynnette Jones

CITY MANAGEMENT

(Appointed by the City Manager)

Cadence Matijevich, Assistant City Manager
William Thomas, Assistant City Manager
Fred Turnier, Community Development Director
Robert Chisel, Director of Finance and Administration
Michael Hernandez, Fire Chief
Megan Salcido, Government Affairs Director
Renee Rungis, Human Resource Director
Deanna Gescheider, Office of Communication and Community Engagement Director
Julee Conway, Parks, Recreation and Community Services Director
Steven Pitts, Police Chief
John Flansberg, Public Works Director
Kate Thomas, Office of Management and Budget Director

FINANCIAL SECTION

P B T K
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Honorable Mayor and Members of the City Council
City of Reno, Nevada

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 (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether the City's basic financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the basic financial statements to enable the design of 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the basic financial statements.

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

Auditors' Responsibility. Our responsibility is to express an opinion on the basic 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 basic financial statements are free from material misstatement.

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress and budgetary comparison information on pages 11-24 and 85-92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, statistical section and schedule of business license fees are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, statistical section and schedule of business license fees have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards.* In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
November 24, 2014

MANAGEMENT'S 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 City). 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

The City's net position decreased by $2,766,623, or 0.32%, over the prior year balance.

The City's Statement of Net Position reflects a $89.3 million net post-employment benefit obligation due to the City not fully funding its annual required contribution *via* a trust.

In compliance with the Governmental Accounting Standards Board's Statement No. 53, the City is reporting the fair value of its hedging derivative instruments of $34.9 million, which affects both deferred outflows of resources and long-term liabilities and is slightly higher than the $34.0 million deferred outflow of resources and long-term liability reported in the prior year.

Net capital assets decreased 1.55% after depreciation of $60.4 million, which exceeded new capital asset additions totaling $49.8 million.

The City refinanced two bonds and refinanced two bonds into one new bond, resulting in a cumulative, estimated net present value of cash flow savings of $7.0 million. The City also entered into an installment purchase agreement in the amount of $391,409 for a new parking meter system, and finalized the financing of implementation costs totaling $1,251,307 for a payroll/HR system.

General Fund revenues totaled $164,858,386, which is up 2.98% from the prior fiscal year. This figure excludes other financing sources. General Fund expenditures increased 0.60% to $152,166,935, excluding other financing uses such as transfers.

Property tax collections for the governmental funds experienced a decrease of 6.75%, almost entirely due to last fiscal year reporting $5.5 million in one-time property tax collections related to the Redevelopment Agency of the City of Reno (RACOR) under a multi-party settlement. Excluding the effect of the settlement, property tax collections were relatively flat between fiscal year 2012/13 and 2013/14.

The City saw the fourth year in a row of intergovernmental consolidated tax growth -- 8.45%. This is a substantial increase over the 4.74% growth experienced in fiscal year 2012/13. Fiscal year 2013/14 consolidated tax revenue for the City are approximately at the level experienced in fiscal year 2003/04.

Licensing and permits income in the General Fund increased 3.57%. Franchise fee revenue increased 21.07%, with an increase experienced in all categories except telephone, after excluding prior year water toll fees, which were moved to the Streets Special Revenue Fund in FY 2013/14. The transfer of the water toll fees precludes the need for future operating subsidies from the General Fund to the Streets Fund. The electric franchise rate increased from 4% to 5% in January of 2014, and sanitation franchise fees also increased in accordance with a new agreement with Waste Management.

Cash and investments at the governmental funds level rose by 12.50%, while cash and investments in the General Fund rose by 51.05%.

(Continued)

Financial Overview

The basic financial statements of the City 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 that is similar to that of the private sector.

The Statement of Position presents information on all assets and liabilities for the City. The difference between the total assets and total liabilities is reported as "net position." Over time, increases and decreases in net position 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 position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, 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. The City's governmental activities include those associated with general government; judicial operations; public safety (police, fire and dispatch); public works; planning and community development; culture and recreation; and urban redevelopment. The business type activities for the City include sewer operations 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, as with other governmental agencies, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All funds of the City 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 maintains 25 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 five (5) funds because they qualify as major funds under the GASB 34 definition; General Fund, Street Special Revenue Fund, City of Reno Debt Service Fund, Railroad Debt Service Fund, and Downtown Events Center Debt Service Fund. Information for the remaining twenty one (20) funds, which meet the definition of non major funds, is aggregated for reporting purposes.

(Continued)

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 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 and Building Permit. Internal service funds are used to account for and allocate internal costs to the various functions in the City. The internal service funds include Motor Vehicle, Risk Retention, Self-funded Medical Plan, and Self-funded Worker's Compensation. The City's 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 government. These funds are not reflected in the government-wide financial statements because the resources are not available to support the City's programs.

Notes to the Basic Financial Statements

Notes to the basic 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's financial position, comparative information is provided below.

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Assets						
Current, restricted and other	$ 145,083,029	$ 143,483,926	$ 148,994,917	$ 142,084,776	$ 294,077,946	$ 285,568,702
Capital	993,805,452	1,028,082,162	314,708,143	300,975,194	1,308,513,595	1,329,057,356
Total assets	1,138,888,481	1,171,566,088	463,703,060	443,059,970	1,602,591,541	1,614,626,058
Deferred outflows of resources	65,336,162	64,434,940	341,805	354,951	65,677,967	64,789,891

(Continued)

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Liabilities						
Current	$ 55,470,183	$ 56,247,566	$ 9,352,061	$ 11,937,320	$ 64,822,244	$ 68,184,886
Long-term	653,841,891	654,806,067	79,787,171	83,840,171	733,629,062	738,646,238
Total liabilities	709,312,074	711,053,633	89,139,232	95,777,491	798,451,306	806,831,124
Net position						
Net investment in capital assets	595,029,822	611,511,174	240,575,536	222,509,756	835,605,358	834,020,930
Restricted	61,109,252	67,160,649	9,571,325	13,193,945	70,680,577	80,354,594
Unrestricted	(161,226,505)	(153,724,428)	124,758,772	111,933,729	(36,467,733)	(41,790,699)
Total net position	$ 494,912,569	$ 524,947,395	$ 374,905,633	$ 347,637,430	$ 869,818,202	$ 872,584,825

Assets as of June 30, 2014, net of accumulated depreciation of $878,126,537, totaled $1,602,591,541, which represents a 0.75% decrease from the prior year's total assets. Current, restricted and other assets include cash/investments, receivables, prepaid items, and land held for resale by the RACOR. Current, restricted and other assets increased 2.98% entity wide, with governmental activities experiencing a 1.11% increase, with larger cash, cash equivalent and investment balances and accounts receivable balances offsetting declines in receivables related to interest, special assessments, and property taxes. The 4.86% change in Current, restricted and other Assets in business type activities is primarily due to an increase in cash, cash equivalents and investments while receivable balances declined. Other asset includes a $81,342,089 ownership interest in Truckee Meadow Water Reclamation Facility (TMWRF).

Deferred outflows of resources represent deferred losses on debt refunding activities, as well as the accumulated decrease in the fair value of derivative instruments related to the weekly and daily remarketed 2005A Capital Improvement Revenue Refunding Bonds and the 2008A Senior Lien Sales Tax Revenue Refunding Bonds, respectively. The deferred outflow of resources for the derivative instruments are offset by liabilities as discussed below and, therefore, do not have an impact on the City's net position. The three bond refunding activities resulted in an additional $1,502,037 in deferred losses, but the amortization expense on prior year balances of $1,460,477 almost offset these additions.

Liabilities, which consisted primarily of long-term debt, totaled $798,451,306. Liabilities also include payables, unearned revenue, and the 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 2013/14 was approximately $19.3 million of which $5.8 million was funded in the form of pay-as-you go costs and implicit subsidy payments. Approximately $72.7 million of the $89.3 million net OPEB obligation is attributed to the Public Safety function due to the lifetime medical benefits, either in whole or in part, received by the Police and Fire bargaining units. Also included in liabilities are the hedged derivatives (swap termination values) related to the City's Series 2005A Capital Improvement Refunding Bonds and the Series 2008A Senior Lien Sales Tax Revenue Refunding Bonds, which had a fair value as of June 30, 2014, of negative $34.9 million – the amount owed to the swap counterparty. This is $0.9 million lower than the liability reported for the prior fiscal year. However, this liability is offset by a deferred charge reported under Deferred Outflows of Resources due to the determination that the hedge is effective.

A comparison of assets and liabilities for the government-wide financial statements reflect a net position of $869,818,202. This total reflects a 0.32% decrease. The majority of the City's net position, $835.6 million or 96.07%, is reflected in investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) net of related debt. The cumulative impact of the worker's compensation liability and the net OPEB obligation liability totaling $126,551,163 is the major contributor to the negative unrestricted net position balance for governmental activities of $161,226,505, which when combined with the $124,758,772 in unrestricted business type net position, results in ($36,467,733) of unrestricted net position overall for the City.

Fiscal year 2013/14 activity for the government-type and business-type entities is presented in the Statement of Activities. As indicated in this statement, governmental activities reduced the City's net position by $30,034,826. Business type activities increased net position by $27,268,203.

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	$ 77,386,117	$ 71,230,131	$ 64,627,936	$ 60,037,239	$ 142,014,053	$ 131,267,370
Operating grants and contributions	14,509,325	16,166,706	17,003	32,194	14,526,328	16,198,900
Capital grants and contributions	25,493,658	45,488,140	11,832,463	8,170,432	37,326,121	53,658,572
General revenues						
Property taxes	57,082,120	63,114,015			57,082,120	63,114,015
Intergovernmental consolidated taxes	46,470,929	42,849,236			46,470,929	42,849,236
Room taxes	7,807,221	7,833,957			7,807,221	7,833,957
Sales taxes restricted for debt service	9,669,710	9,200,167			9,669,710	9,200,167
Other sales taxes	233,530	271,025			233,530	271,025
Intergovernmental SCCR (AB104) taxes	2,976,670	2,781,495			2,976,670	2,781,495
Intergovernmental gaming licenses	1,521,371	1,489,815			1,521,371	1,489,815
Investment income	1,970,100	1,942,762	114,015	159,390	2,084,115	2,102,152
Change in fair value of investments	(21,550)	(260,892)	(18,597)	(228,228)	(40,147)	(489,120)
Gain on disposal of capital assets	462,903	46,716		18,833	462,903	65,549
Miscellaneous	272,370	890,666	30,026	12,164	302,396	902,830
Total revenues	245,834,474	263,043,939	76,602,846	68,202,024	322,437,320	331,245,963
Expenses						
General government	34,595,215	31,516,451			34,595,215	31,516,451
Judicial	7,297,142	7,688,589			7,297,142	7,688,589
Public safety	117,170,198	115,072,376			117,170,198	115,072,376
Public works	59,149,082	55,111,936			59,149,082	55,111,936
Culture and recreation	15,499,368	18,749,736			15,499,368	18,749,736
Planning and community development	13,676,995	10,582,512			13,676,995	10,582,512
Urban development	2,359,947	2,086,290			2,359,947	2,086,290
Interest expense and fiscal charges	23,203,010	24,698,709			23,203,010	24,698,709
Administrative charges and other costs	3,771,130	2,480,894			3,771,130	2,480,894
Sanitary sewer			44,818,778	49,972,058	44,818,778	49,972,058
Building permit			3,663,078	3,784,827	3,663,078	3,784,827
Total expenses	276,722,087	267,987,493	48,481,856	53,756,885	325,203,943	321,744,378

(Continued)

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Change in net position before transfers	$ (30,887,613)	$ (4,943,554)	$ 28,120,990	$ 14,445,139	$ (2,766,623)	$ 9,501,585
Transfers	852,787	3,301,447	(852,787)	(3,301,447)		
Change in net position	(30,034,826)	(1,642,107)	27,268,203	11,143,692	(2,766,623)	9,501,585
Net position, beginning of year	524,947,395	526,589,502	347,637,430	336,493,738	872,584,825	863,083,240
Net position, end of year	$ 494,912,569	$ 524,947,395	$ 374,905,633	$ 347,637,430	$ 869,818,202	$ 872,584,825

Total revenues in FY 2013/14 declined by 2.66% when compared to the previous year's total, while expenses increased 1.08%.

General revenues in the current year declined 1.19% over general revenues collected in the prior year. Property tax revenues dropped 9.56% due in a large part to a property tax settlement that benefited the RACOR in FY 2012/13. The settlement resulted in the cessation of removing exempt properties from the RACOR's tax base and guarantee of a minimum property tax increment allocation. Otherwise, excluding other past due collections, property tax collections were relatively unchanged between FY 2012/13 and FY 2013/14, indicating that FY 2012/13 was the last devaluation of real estate in Washoe County and assessed values have stabilized. As stated previously, intergovernmental consolidated tax revenues registered an 8.45% increase, and intergovernmental SCCR tax revenues also registered a 7.02% increase.

Program revenues decreased 3.61% due primarily to a 30.44% decrease in capital grants and contributions. In FY 2012/13 the City received $31.9 million in contributed capital in the form of street rehabilitation work performed by the Regional Transportation Commission (RTC). In FY 2013/14, the RTC contribution was approximately $11.3 million. Contributions received from the RTC in the Sanitary Sewer related to sewer interceptor work necessitated by the construction of Phase I (bridge) of the Southeast Connector road project, was the largest contributor to the increase in capital grants and contributions for business-type activities. Operating grants and contributions also declined by 10.33%, primarily due to a reduction in the Public Safety function related to the expiration of the American Recovery and Reinvestment grants obtained by the Police Department and a reduction in Staffing for Adequate Fire and Emergency Response Grant reimbursements for the Fire Department. Charges for services rose by 8.19%.

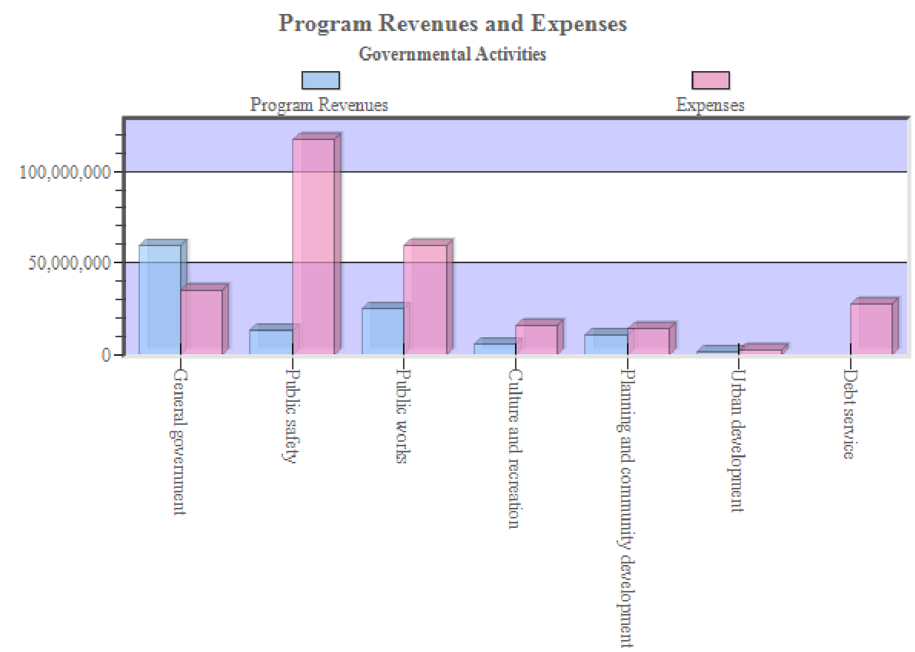
While unrestricted investment and interest earnings declined slightly, the City experienced a smaller loss in pricing investments at market rate. This resulted in a net investment and interest earnings increase of 26.72% overall, with most of the benefit being realized in the Governmental Activities category through non-investment activities such as special assessment district financing to assist affected property owners.

Each function's expenses continue to be impacted by the City's decision to not fund the amount of Other postemployeement benefits (OPEB) annual required contributions beyond the pay-as-you-go costs. The function that experienced the largest impact of the OPEB related expense was Public Safety at $11.2 million compared to $10.7 million in FY 2012/13.

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.

(Continued)



Total program revenues and expenses for governmental activities amounted to $117,389,100 and $276,722,087, respectively, for the 2013/14 fiscal year. As indicated in the chart, expenses exceeded program revenues for all functions except General Government. This indicates that services provided within those functions by the City 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 Planning and Community Development is lessened due to the receipt of operating and capital grants from federal and state governments. Culture and Recreation and Judicial both generate a certain amount of charges for service that partially cover their operating expenses. Public Works receives contributed capital from developers and the Regional Transportation Commission, which are classified as program revenues.

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.

For governmental activities, charges for services continue to be the largest revenue contributor, followed by property taxes. Intergovernmental consolidated tax revenues prior to fiscal year 2008/09 were the largest or second largest source of revenue, but represent the third largest revenue source in FY 2013/14 at 18.90%, in spite of a 8.45% gain in FY 2013/14.

Planning and community development expenses rose 29.24% as compared to the prior fiscal year due to Neighborhood Stabilization Grant and Community Development Block Grant activity that resulted in the donation of completed property rehabilitation projects to third parties. The Culture and Recreation function, on the other hand, registered a large decrease in expenses, primarily due to the outsourcing of the management of Rosewood Golf Course operations in the spring of 2014. Fiscal year 2012/13 also saw higher expenses related to the merger of the Golf Course Enterprise Fund into the General Fund.

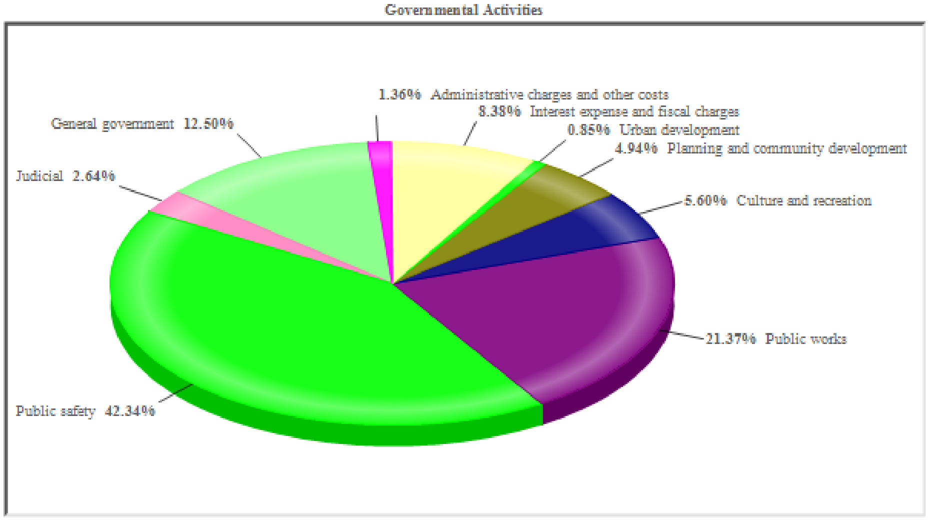
(Continued)

The General Government function's fiscal year 2013/14 expenses increased 9.77% due to expensing of $1.3 million for implementation of the new payroll/HR system and to adjustments related to the allocation of internal service fund costs. Urban redevelopment also saw an increase in expenses due to recognizing a full year of depreciation on the Triple A ball park that was moved from Property Held for Resale to Improvements Other than Buildings at June 30, 2013.

Administrative and other charges in the Debt Service Function saw a 52.01% increase as a result of the bond refunding activity and the corresponding bond issuance costs incurred.

The following chart provides a comparison of expenses by function/program as a percentage of total expenses for all governmental activities. The Public Safety function (Police, Fire and Dispatch) poses the largest cost to the City. The Public Works function is second as infrastructure depreciation will continue to keep Public Works as one of the most costly functions.

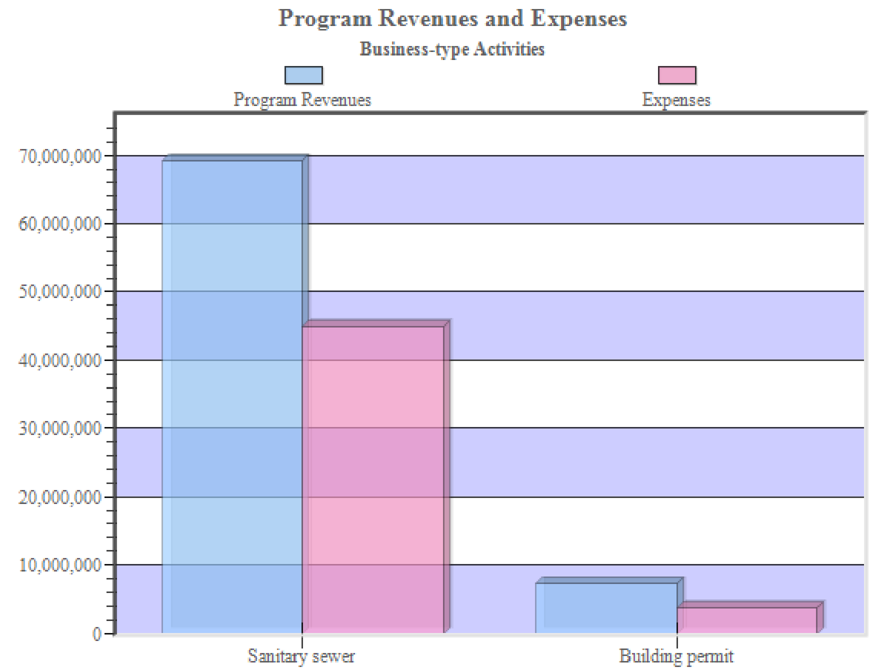
Expenses by Function
Governmental Activities



Business-type Activities

Business-type activities include sanitary sewer operations and building permit operations. Total program revenues and expenses were $76,477,402 and $48,481,856, respectively, for business-type activities for the 2013/14 fiscal year. The following chart presents each activity's contribution to these totals.

The Sanitary Sewer program continues to be self-supporting, with program revenues exceeding operating expenses by $24,382,944. The Building Permits program had net operating income of $3,612,602, as permits and fee revenues were up by 13.08%, due to an increase in construction activity including three large apartment complexes, while operating expenses increased by 4.09%.



As expected, charges for services remain the major source of revenue for business type activities. As a percentage of total revenues, charges for services declined slightly from 88.03% in 2012/13 to 84.37% in 2013/14. This change is due to the increase in capital grants and contributions as a percentage of total revenues. On a dollar basis, charges for service increased 7.65%.

Total business type expenses saw an overall 9.81% decrease over the prior year as a result of lower TMWRF operating expenses in FY 2013/14. Also, FY 2012/13 saw two significant maintenance projects at TMWRF, while FY 2013/14 had more capital-related projects.

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 fiscal year 2013/14 results under this focus.

Governmental Funds

The governmental funds of the City reflected combined total assets of $115,069,129 and total liabilities and deferred inflows of resources of $42,899,413. This resulted in a total combined fund balance of $72,169,716. Of this fund balance, $1,744,556 is categorized as nonspendable, $36,706,544 as restricted, $23,768,276 as assigned, and $9,950,340 as unassigned. Fiscal year 2013/14 fund balance is 15.22% higher than the $62,637,905 recorded in the prior fiscal year. With the implementation of GASB No. 65, unavailable revenues previously categorized as liabilities are now reported as deferred inflows of resources.

Major Governmental Funds

The primary operating fund of the City is the General Fund. For the fiscal year ended June 30, 2014, the unassigned fund balance in the General Fund was $10,588,880 and the total fund balance was $12,231,061. This is a 63.96% increase over the FY 2012/13 total fund balance, as revenue growth outpaced expenditure growth.

The Streets Special Revenue Fund utilizes property overrides, motor vehicle fuel taxes, water toll fees to maintain the arterial and neighborhood streets, as well as to perform neighborhood street rehabilitation projects. Moving water toll fees from the General Fund to this fund is primarily responsible for its consideration as a major fund. Assets total $18,355,596, or 15.95%, of total governmental fund assets, which are primarily comprised of cash and investments. Total fund balance for the Streets Special Revenue Fund is $17,290,566, which is an increase from the FY 2012/13 fund balance of $15,680,168.

Another major governmental fund is the Railroad Debt Service Fund. Assets total $17,576,476, or 15.27%, of total governmental fund assets and are primarily comprised of cash and investments for payment of principal and interest on outstanding debt, as well as special assessment receivables that will meet debt service requirements for $8.9 million in SAD bonds outstanding. The total fund balance for the Railroad Debt Service Fund was $9,103,386, which is an increase from FY 2012/13 fund balance of $8,257,177 due to growth in sales tax revenues.

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 two multi-purpose facilities. 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 $5.5 million in SAD bonds outstanding. Cash and investments represent the majority of the remaining assets. Total fund balance at June 30, 2014, was $7,850,671, which represents a 262.48% increase over the FY 2012/13 balance due to moving the reserve required by the letter of credit for the 2005A bonds in the amount of $5.5 million into this fund for reporting purposes. The required, separate bank account was funded a number of years ago but was being reported as part of the pooled cash and investments for governmental funds.

The final major fund is the City of Reno Debt Service Fund from which the City's general obligation bonds and certain revenue-backed bonds are paid primarily from rents collected and transfers from the General Fund and the Streets Special Revenue Fund. Assets total $2,556,716, or only 2.12%, of total governmental assets. However, this fund represents over 10% of total expenditures within the governmental funds because of the bond refunding activity that occurred during the fiscal year. The total fund balance is $1,162,803 and is primarily comprised of cash and investments.

(Continued)

Proprietary Funds

The enterprise funds of the City reflected a combined total amount of assets and deferred outflows of resources and liabilities of $473,651,969 and $89,139,232, respectively. This resulted in a total net position of $384,512,737. After consolidation of internal service fund activities related to services provided to the enterprise funds, total net position declined to $374,905,633. The portion of the FY 2013/14 change in net position for internal service funds allocated to enterprise funds totaled $1,848,474. Unrestricted net position totaled $124,758,772, after consolidation of internal service fund activity.

Major Proprietary Fund

The Sanitary Sewer Fund accounts for sewer services provided to Reno's citizens and some residents of Washoe County. Unrestricted net position at the end of the 2013/14 fiscal year amounted to $128,045,692. Total operating revenues rose 6.99%. This increase is primarily the result of the 8% rate hike effective October 1, 2013, the third of a number of annual increases that will eventually equate sewer rates to those of Washoe County, with the goal of ceasing the rate subsidy currently occurring for the City residents being served by Washoe County's South Meadows Water Reclamation Facility, as well as keeping up with increasing costs of providing sewer service.

Operating expenses decreased 6.34%, primarily due to a 17.85% reduction in Reno's share of the operating expenses at the TMWRF. After accounting for the City's share of the net investment loss TMWRF of $3,929,578 (primarily depreciation expense), the Sanitary Sewer Fund registered net income before capital contributions and transfers of $16,687,192. The amount of delinquent sewer receivables decreased by $691,193, as the City has been more aggressive in transferring delinquent balances to the County for inclusion on property tax bills. The City's ability to file property liens for delinquent sewer bills partially mitigates the risk of uncollectibility, and the number of liens filed has grown over the past three years.

Budgetary Highlights for General Fund

Functions represent the legal level of budgetary control. The final revised budget appropriation for the General Fund expenditures was $156,367,923, excluding other financing uses, which is 5.69% higher than the original budget of $147,955,165. Budgets for services and supplies for both the Police and Fire Departments were increased due to the receipt of grant funds that were not originally budgeted. The budget for Intergovernmental services and supplies were also increased for the payroll/HR system implementation costs. Public Works' budget for capital outlay went from zero to $391,650 to fund the purchase of a new parking meter system. Most of the remaining functions' FY 2013/14 appropriations are consistent with their respective appropriations on a total budget percentage basis for the prior fiscal year 2012/13.

The City continues to monitor costs very closely, and moved to a zero-based program budgeting methodology in FY 2011/12, which it continues to use. Only critical positions have been filled, and increases in expenditures have been limited for the most part to those that are funded with federal, state or private grants and/or contributions.

Capital Assets Activity

At June 30, 2014, the City had capital assets net of depreciation and amortization of $1,308,513,595 in governmental and business-type activities. This represents 1.55% decrease when compared to the prior year, and includes investment in land, buildings, improvements, machinery and equipment, infrastructure, software, and works of art. This figure is also net of accumulated depreciation totaling $878,126,537.

(Continued)

Major capital investment activities for the 2013/14 fiscal year include:

The addition of $17.3 million in infrastructure, primarily in the form of street rehabilitation, with over $11 million contributed by the Regional Transportation Commission;

The addition of $10.9 million in sewer infrastructure projects reported as construction in progress; and

The addition of $5.7 million in contributed sewer lines, storm drains, and other sewer improvements from developers.

Additional information on capital assets is presented in Note 3 in the Notes to the Financial Statements section of this report.

Long-term Debt Activity

Bonds and notes payable outstanding at June 30, 2014, totaled $540,490,524, net of premiums and discounts, a 4.05% decrease when compared to the prior year. Debt for governmental activities represents 86.22% of total debt outstanding, with debt related to business-type activities accounting for 13.78% of the total debt outstanding.

As of June 30, 2014, the City had $151,090,473 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 $814,076,000 by $663,411,010 after adding back cash reserves of $425,483.

During FY 2013/14, the City engaged in the following refunding/refinancing activities:

Refinanced the 2002 Capital Improvement Revenue Bonds with the 2013A General Obligation Capital Improvement Refunding Bonds.

Refinanced the 2009 Medium-term Street Bonds with the 2013B Various Purpose Bonds, with new money obtained to partially finance a new fire station in the South Truckee Meadow area.

Combined the 2006 and 2007 Taxable Lease Revenue Bonds into the 2014 Taxable Lease Refunding Bonds with a large principal reduction from the sale of the Fitzgerald Parking Garage land.

Also during FY 2013/14 the City entered into an installment purchase agreement in the amount of $391,409 for the acquisition of a parking meter system and a note payable in the amount of $1,251,307 to finance the implementation of the new payroll/HR system.

The Notes to the Financial Statements section (Note 3) of this report provides additional details related to new debt issued by the City during the fiscal year.

The City maintains an A1 rating from Moody's and an A rating from Standard and Poor's for its general obligation bonds.

Known Economic Factors

For the first two months of FY 2014/15, intergovernmental consolidated tax revenues have risen 9.29% over the first two months of FY 2013/14.

(Continued)

The City has seen an increase in residential and construction permits being issued in FY 2013/14, which will generate new property taxes.

In April of 2014, the City was notified by the Federal Department of Emergency Management that the City would not be receiving a Staffing for Adequate Fire and Emergency Response (SAFER) Grant, which provided funding for 64 firefighter positions. The City made various adjustments to the FY 2014/15 budget and on April 30, 2014, the City Council passed a resolution approving a reduction in force in the Reno Fire Department eliminating 33 firefighters effective July 1, 2014. However, on June 24, 2014, a Washoe County district judge granted a preliminary injunction blocking the reduction in force and on July 31, 2014. The City petitioned the Nevada Supreme Court for a stay on the injunction, which the Nevada Supreme Court denied on July 31, 2014. The City will continue to look for cost-savings measures to fund the firefighter positions in the General Fund while the lawsuit between the City and the International Association of Firefighters Local 731 works its way through the judicial system.

In June of 2014 the unemployment rate in the Reno MSA was 7.2%, which is 0.5% lower than the state unemployment rate of 7.7% and higher than the national rate of 6.1%. The Reno MSA unemployment is lower than the 9.8% for the same time period one year ago. The annual job growth rate for the Reno metropolitan area between June 2013 and June 2014 was 3.7% after being flat with no measurable increase between June 2012 and June 2013.

Requests for Information

This financial report is designed to provide a general overview of the financial activity and condition of the City to all having such an interest in the City. 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.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF RENO

STATEMENT OF NET POSITION

JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	$ 81,742,564	$ 43,770,885	$ 125,513,449
Cash, cash equivalents and investments, restricted	5,512,310	11,259,714	16,772,024
Accounts receivable, net	6,757,899	10,650,328	17,408,227
Interest receivable	117,549	75,832	193,381
Taxes receivable	1,220,112		1,220,112
Special assessments receivable	17,595,169		17,595,169
Due from other governments	19,832,642	3,642,596	23,475,238
Notes receivable, net	1,338,388	7,058,668	8,397,056
Inventories	834,253	146,112	980,365
Prepaid items	128,516	11,111	139,627
Property held for resale	1,041,209		1,041,209
Truckee Meadows Water Reclamation Facility		81,342,089	81,342,089
Internal balances	8,962,418	(8,962,418)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	4,862,457	20,778,774	25,641,231
Land	152,362,008	11,301,180	163,663,188
Water rights	1,125,000	1,812,114	2,937,114
Buildings and building improvements	173,398,518	6,735,032	180,133,550
Improvements other than buildings	290,782,034	273,881,548	564,663,582
Infrastructure	351,067,636		351,067,636
Machinery, equipment and software	18,471,043	199,495	18,670,538
Art and historical treasures	1,736,756		1,736,756
Total assets	1,138,888,481	463,703,060	1,602,591,541
DEFERRED OUTFLOWS OF RESOURCES			
Derivative instruments, accumulated decrease in fair value	34,850,250		34,850,250
Unamortized deferred refunding charges	30,485,912	341,805	30,827,717
Total deferred outflows of resources	65,336,162	341,805	65,677,967
LIABILITIES			
Accounts payable and other accrued expenses	4,501,455	598,311	5,099,766
Accounts payable from restricted assets		173,755	173,755
Accrued salaries and benefits	6,718,716	107,951	6,826,667
Contracts payable	505,106	4,802,431	5,307,537
Contracts payable from restricted assets		2,340,134	2,340,134
Due to other governments	497,104	1,292,440	1,789,544
Deposits	894,394	37,039	931,433
Unearned revenue	7,503,158		7,503,158
Derivative instruments	34,850,250		34,850,250
Long-term liabilities, due within one year			
Bonds and notes payable	17,353,856	4,977,257	22,331,113
Compensated absences	8,630,917	702,119	9,333,036
Self-insurance liability	7,259,360		7,259,360
Interest payable	2,193,948	1,077,842	3,271,790
Long-term liabilities, due in more than one year			
Bonds and notes payable, net of unamortized premiums and discounts	448,662,256	69,497,155	518,159,411
Compensated absences	10,661,175	391,611	11,052,786
Self-insurance liability	39,102,832		39,102,832
Postemployment benefits other than pensions	86,162,339	3,141,187	89,303,526
Interest payable	33,815,208		33,815,208
Total liabilities	709,312,074	89,139,232	798,451,306

(Continued)

See notes to basic financial statements.

CITY OF RENO

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	595,029,822	240,575,536	835,605,358
Restricted for			
Debt service	41,247,983		41,247,983
Capital improvement projects	9,719,364	9,571,325	19,290,689
Fire, police and other public safety programs	330,965		330,965
Cultural, community and development programs	586,208		586,208
Self-insurance liabilities	9,224,732		9,224,732
Unrestricted	(161,226,505)	124,758,772	(36,467,733)
Total net position	$ 494,912,569	$ 374,905,633	$ 869,818,202

See notes to basic financial statements.

CITY OF RENO

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

		Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTION/PROGRAM							
Governmental activities							
General government	$ 34,595,215	$ 59,397,934	$ 26,450	$ 85,358	$ 24,914,527	$	$ 24,914,527
Judicial	7,297,142	2,850,804	312,962		(4,133,376)		(4,133,376)
Public safety	117,170,198	5,218,131	8,077,476	49,429	(103,825,162)		(103,825,162)
Public works	59,149,082	3,306,829	12,402	21,256,147	(34,573,704)		(34,573,704)
Culture and recreation	15,499,368	4,416,939	175,876	1,015,738	(9,890,815)		(9,890,815)
Planning and community development	13,676,995	1,430,596	5,776,135	3,086,986	(3,383,278)		(3,383,278)
Urban development	2,359,947	764,884	128,024		(1,467,039)		(1,467,039)
Debt service							
Interest expense and fiscal charges	23,203,010				(23,203,010)		(23,203,010)
Administrative charges and other costs	3,771,130				(3,771,130)		(3,771,130)
Total governmental activities	276,722,087	77,386,117	14,509,325	25,493,658	(159,332,987)		(159,332,987)
Business-type activities							
Sanitary sewer	44,818,778	57,352,256	17,003	11,832,463		24,382,944	24,382,944
Building permit	3,663,078	7,275,680				3,612,602	3,612,602
Total business-type activities	48,481,856	64,627,936	17,003	11,832,463		27,995,546	27,995,546
Total function/program	$ 325,203,943	$ 142,014,053	$ 14,526,328	$ 37,326,121	(159,332,987)	27,995,546	(131,337,441)

(Continued)

See notes to basic financial statements.

CITY OF RENO

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

		Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GENERAL REVENUES							
Property taxes					57,082,120		57,082,120
Intergovernmental consolidated taxes					46,470,929		46,470,929
Room taxes					7,807,221		7,807,221
Sales taxes restricted for debt service					9,669,710		9,669,710
Other sales taxes					233,530		233,530
Intergovernmental SCCR (AB104) taxes					2,976,670		2,976,670
Intergovernmental gaming licenses					1,521,371		1,521,371
Investment income					1,970,100	114,015	2,084,115
Change in fair value of investments					(21,550)	(18,597)	(40,147)
Gain on disposal of capital assets					462,903		462,903
Miscellaneous					272,370	30,026	302,396
Total general revenues					128,445,374	125,444	128,570,818
Transfers					852,787	(852,787)	
CHANGE IN NET POSITION					(30,034,826)	27,268,203	(2,766,623)
NET POSITION, BEGINNING OF YEAR					524,947,395	347,637,430	872,584,825
NET POSITION, END OF YEAR					$ 494,912,569	$ 374,905,633	$ 869,818,202

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

CITY OF RENO

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014

		Special Revenue Funds	Debt Service Funds				
	General Fund	Streets	Railroad	Downtown Events Center	City of Reno	Non-major Governmental Funds	Total Governmental Funds
ASSETS							
Cash, cash equivalents and investments	$ 14,757,527	$ 15,751,900	$ 6,554,481	$ 1,745,700	$ 2,161,516	$ 20,184,013	$ 61,155,137
Cash, cash equivalents and investments, restricted				5,512,310			5,512,310
Accounts receivable	4,622,293	878,851			92,316	223,382	5,816,842
Interest receivable	25,053	22,409	3,415	4,635	4,688	28,795	88,995
Taxes receivable	876,055	265,461				78,596	1,220,112
Special assessments receivable	72,687		8,994,559	5,494,237		3,033,686	17,595,169
Due from other governments	11,371,413	1,157,316	2,024,021	515,561	298,196	4,330,566	19,697,073
Due from other funds	315,500						315,500
Advances to other funds						585,047	585,047
Inventories	376,290	279,659					655,949
Prepaid items	35,288					12,110	47,398
Property held for sale						1,041,209	1,041,209
Notes receivable, net						1,338,388	1,338,388
Total assets	$ 32,452,106	$ 18,355,596	$ 17,576,476	$ 13,272,443	$ 2,556,716	$ 30,855,792	$ 115,069,129
LIABILITIES							
Accounts payable and other accrued liabilities	$ 2,375,830	$ 391,449	$ 944	$ 245,462	$	$ 1,345,766	$ 4,359,451
Accrued salaries and benefits	6,637,915	61,901				4,154	6,703,970
Contracts payable	30,769	99,448				374,889	505,106
Due to other governments	361,338	113,285				22,481	497,104
Deposits	766,842	1,065	6,370			120,117	894,394
Unearned revenue	7,500,585					2,573	7,503,158
Due to other funds						315,500	315,500
Advances from other funds	464,170	120,877				644,686	1,229,733
Interest payable					828,613		828,613
Debt obligations payable					510,000		510,000
Total liabilities	18,137,449	788,025	7,314	245,462	1,338,613	2,830,166	23,347,029

(Continued)

See notes to basic financial statements.

CITY OF RENO

GOVERNMENTAL FUNDS
BALANCE SHEET (CONTINUED)
JUNE 30, 2014

		Special Revenue Funds	Debt Service Funds				
	General Fund	Streets	Railroad	Downtown Events Center	City of Reno	Non-major Governmental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue, property taxes	876,055	265,461				78,596	1,220,112
Unavailable revenue, special assessments	72,687		8,465,776	5,176,310		2,830,754	16,545,527
Unavailable revenue, other	1,134,854	11,544			55,300	585,047	1,786,745
Total deferred inflows of resources	2,083,596	277,005	8,465,776	5,176,310	55,300	3,494,397	19,552,384
Total liabilities and deferred inflows of resources	20,221,045	1,065,030	8,473,090	5,421,772	1,393,913	6,324,563	42,899,413
FUND BALANCES							
Nonspendable							
Inventories	376,290	279,659					655,949
Prepaid items	35,288					12,110	47,398
Land held for resale						1,041,209	1,041,209
Restricted for							
Debt service			9,103,386	7,850,671	1,162,803	7,951,579	26,068,439
Capital improvement projects	426,486	933,120				8,359,803	9,719,409
Fire, police and other public safety programs	258,251					72,714	330,965
Other	194,242					393,489	587,731
Assigned to							
Capital improvement projects		16,077,787				3,560,138	19,637,925
Fire, police and other public safety programs						1,397,172	1,397,172
Other	351,624					2,381,555	2,733,179
Unassigned	10,588,880					(638,540)	9,950,340
Total fund balances	12,231,061	17,290,566	9,103,386	7,850,671	1,162,803	24,531,229	72,169,716
Total liabilities, deferred inflows of resources and fund balances	$ 32,452,106	$ 18,355,596	$ 17,576,476	$ 13,272,443	$ 2,556,716	$ 30,855,792	$ 115,069,129

See notes to basic financial statements.

CITY OF RENO

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2014

FUND BALANCES, GOVERNMENTAL FUNDS		$ 72,169,716
Amounts reported in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Capital assets	$ 1,720,427,187	
Less accumulated depreciation	(731,947,071)	
		988,480,116
Other assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Derivative instruments, accumulated decrease in fair value	34,850,250	
		34,850,250
Long-term liabilities, including bonds payable are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Bonds and notes payable	(441,802,713)	
Unamortized premiums and discounts	(5,079,123)	
Unamortized deferred refunding charges	30,485,912	
Compensated absences payable	(19,116,515)	
Postemployment benefits other than pensions	(85,687,954)	
Installment purchase agreements	(17,795,663)	
		(538,996,056)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	(36,009,156)	
Derivative instruments	(34,850,250)	
		(70,859,406)
Unearned revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unearned revenue	19,552,384	
		19,552,384
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund assets and liabilities included in governmental activities in the statement of net position	(19,891,539)	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	11,455,578	
Internal service fund balance receivable from business-type activities from current year activity	(1,848,474)	
		(10,284,435)
NET POSITION, GOVERNMENTAL ACTIVITIES		$ 494,912,569

See notes to basic financial statements.

CITY OF RENO

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

		Special Revenue Funds	Debt Service Funds				
	General Fund	Streets	Railroad	Downtown Events Center	City of Reno	Non-major Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	$ 42,298,694	$ 13,294,745	$	$	$	$ 3,407,593	$ 59,001,032
Motor vehicle taxes		5,090,434				128,024	5,218,458
Room and construction taxes			703,885	5,158,134		2,929,440	8,791,459
Intergovernmental SCCR (AB104) taxes	2,976,670						2,976,670
Intergovernmental capital project taxes						489,208	489,208
Intergovernmental consolidated taxes	46,470,929						46,470,929
Intergovernmental gaming licenses	1,521,371						1,521,371
Franchise fees	25,918,223	2,585,115					28,503,338
Licenses, permits and other fees	16,460,555	157,658				19,800	16,638,013
Special assessments	1,718,459		713,144	317,927		1,019,251	3,768,781
Grants and contributions	8,664,796	1,911,921			333,044	8,574,024	19,483,785
Charges for services	13,077,003					209,819	13,286,822
Downtown district room surcharge						2,144,842	2,144,842
Dedicated sales taxes	233,530		7,672,343		1,997,367		9,903,240
Fines and forfeitures	3,189,344	851	33,726			747,663	3,971,584
Reimbursements and restitutions	2,003,925	44,351			20,729	321,849	2,390,854
Rents and royalties	212,653				1,153,230	631,526	1,997,409
Investment income	96,176	32,736	814,451	426,611	6,699	291,464	1,668,137
Change in fair value of investments	(27,539)	(4,179)	1,903	(261)	5,353	3,173	(21,550)
Miscellaneous	43,597	66,922	102,924	307		853,892	1,067,642
Total revenues	164,858,386	23,180,554	10,042,376	5,902,718	3,516,422	21,771,568	229,272,024
EXPENDITURES							
Current							
General government	16,646,897					384,466	17,031,363
Judicial	6,237,048					284,156	6,521,204
Public safety	102,085,861						102,085,861
Public works	4,754,965	12,493,495				1,895,243	19,143,703
Culture and recreation	9,658,433					63,876	9,722,309
Planning and community development	3,049,968					9,018,529	12,068,497
Urban redevelopment						737,761	737,761
Other	9,034,265						9,034,265
Total current	151,467,437	12,493,495				12,384,031	176,344,963

(Continued)

See notes to basic financial statements.

CITY OF RENO

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

		Special Revenue Funds	Debt Service Funds				
	General Fund	Streets	Railroad	Downtown Events Center	City of Reno	Non-major Governmental Funds	Total Governmental Funds
Capital outlay							
Public safety	24,261						24,261
Public works	381,650	3,455,439				4,634,739	8,471,828
Culture and recreation						420,468	420,468
Total capital outlay	405,911	3,455,439				5,055,207	8,916,557
Debt service							
Principal payments	282,449		2,665,000	40,065,000	23,917,684	3,012,200	69,942,333
Interest expense and fiscal charges	11,138		5,610,348	4,640,884	4,112,492	1,766,212	16,141,074
Debt issuance costs				383,869	613,701		997,570
Administrative and other costs			1,173,625	1,315,322	32,358	252,255	2,773,560
Total debt service	293,587		9,448,973	46,405,075	28,676,235	5,030,667	89,854,537
Total expenditures	152,166,935	15,948,934	9,448,973	46,405,075	28,676,235	22,469,905	275,116,057
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,691,451	7,231,620	593,403	(40,502,357)	(25,159,813)	(698,337)	(45,844,033)
OTHER FINANCING SOURCES (USES)							
Debt issuance proceeds	1,642,715			36,115,000	41,275,000	908,000	79,940,715
Debt issuance premiums				2,545,132	3,054,605		5,599,737
Payment to advance refunding bond agent					(34,897,247)		(34,897,247)
Proceeds from capital asset disposal	15,008				2,925,483	1,555,788	4,496,279
Transfers in	2,544,575	647,382	252,806	7,527,085	8,875,869	2,612,740	22,460,457
Transfers out	(12,122,347)	(6,268,604)				(3,833,146)	(22,224,097)
Total other financing sources (uses)	(7,920,049)	(5,621,222)	252,806	46,187,217	21,233,710	1,243,382	55,375,844
CHANGE IN FUND BALANCE	4,771,402	1,610,398	846,209	5,684,860	(3,926,103)	545,045	9,531,811
FUND BALANCE, BEGINNING OF YEAR	7,459,659	15,680,168	8,257,177	2,165,811	5,088,906	23,986,184	62,637,905
FUND BALANCE, END OF YEAR	$ 12,231,061	$ 17,290,566	$ 9,103,386	$ 7,850,671	$ 1,162,803	$ 24,531,229	$ 72,169,716

See notes to basic financial statements.

CITY OF RENO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2014

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		$ 9,531,811
Amounts reported in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:		
Expenditures for capital assets	$ 11,247,768	
Less current year depreciation	(49,361,153)	
Disposition of capital assets	(9,825,524)	
		(47,938,909)
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:		
Change in unavailable revenue	(2,217,215)	
Capital asset contributions	13,828,798	
		11,611,583
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded debt issued		
Debt issuance proceeds	(79,940,715)	
Debt principal repayments	103,442,333	
Deferred refunding charges	(5,599,737)	
		17,901,881
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:		
Change in postemployment benefits other than pensions	(12,574,837)	
Change in compensated absences payable	810,419	
Amortization of deferred refunding charges	(1,460,477)	
Amortization of debt premiums and discounts	643,715	
Change in accrued interest	(4,847,927)	
		(17,429,107)
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund change in net position included in governmental activities in the statement of activities	(1,863,611)	
The internal service funds change in net position related to business-type activities	(1,848,474)	
		(3,712,085)
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		$ (30,034,826)

See notes to basic financial statements.

CITY OF RENO

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2014

	Business-type Activities			Governmental Activities
	Sanitary Sewer	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets				
Cash, cash equivalents and investments	$ 36,079,342	$ 7,691,543	$ 43,770,885	$ 20,587,427
Accounts receivable	5,126,736		5,126,736	941,057
Interest receivable	65,227	10,605	75,832	28,554
Due from other governments	3,642,596		3,642,596	135,569
Advances to other funds	644,686		644,686	
Inventories	146,112		146,112	178,304
Prepaid items	11,111		11,111	81,118
Restricted assets				
Cash, cash equivalents and investments	11,259,714		11,259,714	
Total current assets	56,975,524	7,702,148	64,677,672	21,952,029
Noncurrent assets				
Capital assets, net of accumulated depreciation and amortization				
Construction in progress	20,778,774		20,778,774	
Land	11,301,180		11,301,180	
Water rights	1,812,114		1,812,114	
Buildings and building improvements	6,735,032		6,735,032	
Improvements other than buildings	273,881,548		273,881,548	
Machinery, equipment and software	181,644	17,851	199,495	5,325,336
Total capital assets, net of accumulated depreciation and amortization	314,690,292	17,851	314,708,143	5,325,336
Other assets				
Accounts receivable, delinquent	5,523,592		5,523,592	
Notes receivable, net	7,058,668		7,058,668	
Truckee Meadows Water Reclamation Facility	81,342,089		81,342,089	
Total other assets	93,924,349		93,924,349	
Total noncurrent assets	408,614,641	17,851	408,632,492	5,325,336
Total assets	465,590,165	7,719,999	473,310,164	27,277,365
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized deferred refunding charges	341,805		341,805	
LIABILITIES				
Current liabilities				
Accounts payable and other accrued liabilities	556,750	41,561	598,311	142,004
Other accrued liabilities payable from restricted assets	173,755		173,755	
Accrued salaries and benefits	78,937	29,014	107,951	14,746
Contracts payable	4,802,431		4,802,431	
Contracts payable from restricted assets	2,340,134		2,340,134	
Due to other governments	1,292,440		1,292,440	
Deposits	37,039		37,039	
Interest payable	1,077,842		1,077,842	
Debt obligations payable	4,977,257		4,977,257	
Compensated absences	524,290	177,829	702,119	89,255
Self-insurance liability				7,259,360
Total current liabilities	15,860,875	248,404	16,109,279	7,505,365

(Continued)

See notes to basic financial statements.

CITY OF RENO

PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2014

	Business-type Activities			Governmental Activities
	Sanitary Sewer	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Noncurrent liabilities				
Debt obligations payable	69,497,155		69,497,155	
Compensated absences	176,825	214,786	391,611	86,322
Postemployment benefits other than pensions	2,222,413	918,774	3,141,187	474,385
Self-insurance liability				39,102,832
Total noncurrent liabilities	71,896,393	1,133,560	73,029,953	39,663,539
Total liabilities	87,757,268	1,381,964	89,139,232	47,168,904
NET POSITION				
Net investment in capital assets	240,557,685	17,851	240,575,536	5,325,336
Restricted				
Capital improvement projects	9,571,325		9,571,325	
Self-insurance liabilities				9,224,732
Unrestricted	128,045,692	6,320,184	134,365,876	(34,441,607)
Total net position	$ 378,174,702	$ 6,338,035	384,512,737	$ (19,891,539)
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time			(9,607,104)	
Net position of business-type activities			$ 374,905,633	

See notes to basic financial statements.

CITY OF RENO

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities			Governmental Activities
	Sanitary Sewer	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 52,417,492	$ 7,275,680	$ 59,693,172	$ 32,333,471
Licenses and permits	344,594		344,594	
Fines and forfeitures	2,406,255		2,406,255	
Miscellaneous	2,199,772	40	2,199,812	1,570,730
Total operating revenues	57,368,113	7,275,720	64,643,833	33,904,201
OPERATING EXPENSES				
Salaries and wages	5,183,939	1,840,962	7,024,901	927,559
Employee benefits	2,763,336	903,414	3,666,750	475,090
Services and supplies	10,796,815	1,069,025	11,865,840	33,047,870
Joint sewer plant	12,274,592		12,274,592	
Depreciation and amortization	9,170,596	11,331	9,181,927	1,820,731
Total operating expenses	40,189,278	3,824,732	44,014,010	36,271,250
Operating income (loss)	17,178,835	3,450,988	20,629,823	(2,367,049)
NONOPERATING REVENUES (EXPENSES)				
Federal grants	146,674		146,674	
Sewer connection charges	5,301,535		5,301,535	
Investment income	98,745	15,270	114,015	51,117
Change in fair value of investments	(6,542)	(12,055)	(18,597)	13,939
Interest and fiscal charges	(2,102,477)		(2,102,477)	
Gain (loss) on capital asset disposition		(264,265)	(264,265)	37,919
Truckee Meadows Water Reclamation Facility	(3,929,578)		(3,929,578)	
Total nonoperating revenues (expenses)	(491,643)	(261,050)	(752,693)	102,975
Income (loss) before capital contributions and transfers	16,687,192	3,189,938	19,877,130	(2,264,074)
CAPITAL CONTRIBUTIONS				
Capital contributions	5,680,386	(20,787)	5,659,599	519,823
TRANSFERS				
Transfers out	(114,500)	(2,500)	(117,000)	(119,360)
CHANGE IN NET POSITION	22,253,078	3,166,651	25,419,729	(1,863,611)
NET POSITION, BEGINNING OF YEAR	355,921,624	3,171,384		(18,027,928)
NET POSITION, END OF YEAR	$ 378,174,702	$ 6,338,035		$ (19,891,539)
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds			1,848,474	
CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES			$ 27,268,203	

See notes to basic financial statements.

CITY OF RENO

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities			Governmental Activities
	Sanitary Sewer	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 58,020,287	$ 7,275,680	$ 65,295,967	$ 31,366,172
Cash received from interfund services				104,009
Cash received from other sources	4,172,832	40	4,172,872	1,535,111
Cash payments for goods and services	(20,417,419)	(553,590)	(20,971,009)	(32,243,821)
Cash payments for employee services	(6,786,873)	(2,371,831)	(9,158,704)	(1,192,863)
Cash payments for interfund good and services	(3,127,898)	(523,890)	(3,651,788)	(1,598,104)
Cash payments for interfund employee benefits	(875,084)	(270,414)	(1,145,498)	(141,941)
Net cash provided by (used in) operating activities	30,985,845	3,555,995	34,541,840	(2,171,437)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	(114,500)	(2,500)	(117,000)	(119,360)
Repayments of advances from other funds	210,896		210,896	
Cash received from grants	146,674		146,674	
Net cash provided by (used in) noncapital financing activities	243,070	(2,500)	240,570	(119,360)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(18,631,097)	(37,782)	(18,668,879)	(1,048,883)
Proceeds received from disposal of capital assets		20,000	20,000	60,253
Principal payments on debt	(4,343,271)		(4,343,271)	
Interest payments on debt	(2,153,671)		(2,153,671)	
Cash received from customers	5,301,535		5,301,535	
Truckee Meadows Water Reclamation facility	(9,263,917)		(9,263,917)	
Net cash used in capital financing activities	(29,090,421)	(17,782)	(29,108,203)	(988,630)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	113,532	11,848	125,380	66,499
Change in fair value of investments	(6,542)	(12,055)	(18,597)	13,939
Net cash provided by (used in) investing activities	106,990	(207)	106,783	80,438
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,245,484	3,535,506	5,780,990	(3,198,989)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	45,093,572	4,156,037	49,249,609	23,786,416
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 47,339,056	$ 7,691,543	$ 55,030,599	$ 20,587,427

(Continued)

See notes to basic financial statements.

CITY OF RENO

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities			Governmental Activities
	Sanitary Sewer	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ 17,178,835	$ 3,450,988	$ 20,629,823	$ (2,367,049)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	9,170,596	11,331	9,181,927	1,820,731
(Increase) decrease in operating assets				
Accounts receivable	1,717,872		1,717,872	(863,290)
Notes receivable	682,173		682,173	
Due from other governments	2,434,346		2,434,346	(35,619)
Inventories	(17,741)	2,914	(14,827)	(5,896)
Prepaid items	1,011,837		1,011,837	(17,309)
Increase (decrease) in operating liabilities				
Accounts payable and accrued expenses	(1,345,843)	(8,760)	(1,354,603)	(134,250)
Accrued salaries and benefits	21,615	11,301	32,916	4,916
Contracts and retention payable	(1,414,603)		(1,414,603)	
Due to other governments	1,292,440	(2,609)	1,289,831	
Deposits	(9,385)		(9,385)	
Compensated absences	(54,063)	(21,393)	(75,456)	6,620
Self-insurance liability				(636,600)
Postemployment benefits other than pensions	317,766	112,223	429,989	56,309
Total adjustments	13,807,010	105,007	13,912,017	195,612
Net cash provided by (used in) operating activities	$ 30,985,845	$ 3,555,995	$ 34,541,840	$ (2,171,437)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contribution of capital assets	$ 5,680,386	$	$ 5,680,386	$ 519,823

See notes to basic financial statements.

CITY OF RENO

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2014

	Agency Funds
ASSETS	
Cash, cash equivalents and investments	$ 8,011,553
Accounts receivable	1,822
Interest receivable	5,073
Special assessments receivable	1,153,065
Due from other governments	45,369
Total assets	9,216,882
LIABILITIES	
Accounts payable and other accrued liabilities	59,408
Deposits	3,599,041
Due to developers, employees and others	5,558,433
Total liabilities	9,216,882
NET POSITION	$

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the City of Reno (the City) have been prepared in conformity with accounting principles generally accepted in the United States (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 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: general government administration; public safety (police, fire, dispatch and building inspection); public works; culture and recreation; planning and community development; urban development; and other services.

The reporting entity is defined as the primary government and those component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the organization's governing board, and either the ability of the primary government to impose its will on the organization or the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government. In addition to financial accountability, component units can be other organizations in which the economic resources received or held by that organization are entirely or almost entirely for the direct benefit of the primary government, the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by that organization and the resources to which the primary government is entitled or has the ability to otherwise access are significant to the primary government.

The City has determined that the Redevelopment Agency of the City of Reno (RACOR) should be presented as a blended component unit and presented in the City's financial statements because of the significance of its operational and financial relationship with the City. RACOR is governed by a separate board, which is comprised of the members of the City Council and is dependent upon the City's taxing authority.

Basic Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities and present consolidated information for the City's nonfiduciary activities. 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 user fees and charges for support.

Included in the statement of net position are capital assets and long-term liabilities including general payment obligations, revenue bonds and compensated absences. Net position is classified as 1) net investment in capital assets, 2) restricted net position, or 3) unrestricted net position.

(Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment and 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 segment, and 2) grants and contributions, which are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not restricted for use by a particular function or segment are reported as general revenues.

Separate fund financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns on the fund financial statements. Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances with schedules presented to reconcile fund balances presented in the governmental fund financial statements to net position presented in the government-wide financial statements. Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City considers revenues to be available as follows:

A sixty-day availability period is used for revenue recognition for all revenues except grants and property (ad valorem) taxes.

A ninety-day availability period is used for revenue recognition for grants.

A thirty-day availability period is used for revenue recognition for property taxes. Anticipated refunds of property taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Sales taxes are considered available when in the hands of the intermediary collecting government.

All other revenue sources are considered to be available when cash is received.

(Continued)

The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes and county and state shared revenues.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and self-insurance liabilities, are recorded only when payment is due.

The City reports the following major governmental funds:

General Fund - Accounts for all financial resources not accounted for in some other fund.

Streets Special Revenue Fund – Accounts for resources restricted for street improvement expenditures.

City of Reno Debt Service Fund - Accounts for the accumulation of resources for the payment of general obligation bonds (and debt supported by dedicated revenue sources) that are not required to be accounted for in proprietary funds.

Railroad Debt Service Fund - Accounts for the accumulation of resources for payment of bonds issued for the purpose of constructing and expanding railroad grade and related beautification projects.

Downtown Events Center Debt Service Fund - Accounts for the accumulation of resources for payment of bonds issued for the purpose of acquisition of the National Bowling Stadium and construction of the Downtown Events Center and Ballroom facilities.

The City reports the following non-major governmental fund types:

Special Revenue Funds - Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Accounts for the accumulation of financial resources that are restricted, committed or assigned to the repayment of debt principal and interest.

Capital Projects Funds - Accounts for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

Proprietary Fund Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges for goods and services and other user fees. Operating expenses include the cost of goods and services, administrative expenses, and capital asset depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary fund:

Sanitary Sewer Fund - Accounts for the provision of sewer services and connection fee revenues restricted for capital projects.

(Continued)

The City reports the following non-major proprietary fund:

Building Permit Fund - Accounts for resources provided by the issuance of building permit fees.

The City reports the following non-major proprietary fund type:

Internal Service Funds - Accounts for the financing of goods or services provided by one department or agency to other department or agencies of the government and to other governmental units, on a cost reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements, comprised of a statement of net position, report the City's activities that are custodial in nature (assets equal liabilities) and do not involve measurement of operational results. Fiduciary funds are excluded from the government-wide financial statements.

The City reports the following fiduciary fund type:

Agency Funds - Accounts for assets held by the City as an agent for individuals, private organizations, other governments or other funds including the collection and disbursement of special assessments and refundable performance and other deposits.

Assets and Liabilities

Cash, Cash Equivalents and Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds participate in the City's cash and investment pool (the Pool). The Pool has the general characteristics of a demand deposit account in that the proprietary funds may effectively withdraw amounts from the Pool at any time. Accordingly, amounts invested in the Pool by proprietary funds are considered to be cash equivalents. Monies that are not required for immediate obligations are invested.

Investments are reported at fair value, regardless of the length of time remaining to maturity. The fair values of investments are determined using quotations obtained from independent published sources.

Receivables, Payables and Unearned Revenues

Property taxes receivable that are not expected to be collected within thirty days of year end are recognized as unearned revenue in the fund financial statements, rather than revenue since the asset is not available to satisfy current obligations. Unearned revenues also arise when the City receives resources before it has a legal claim to them such as when property taxes for the following tax year are received before year end. At June 30, 2014, accounts and notes receivable are shown net of an allowance for uncollectible amounts totaling $40,471,876.

Washoe County is responsible for the assessment, collection and subsequent distribution to the City of property taxes. Property tax rates are set in June of each year, and property tax bills are mailed out by August 1st of each year. They are due by the third Monday in August. If the property tax is greater than $100, installments may be made and are due by the third Monday in August and the first Mondays in October, January, and March.

(Continued)

Pursuant to NRS 361.483(7), the Washoe County Treasurer must assess a 4% penalty on any one installment that is delinquent, a 5% penalty on any two installments together with accumulated penalties that are delinquent, 6% on any three installments together with accumulated penalties that are delinquent and a 7% penalty together with accumulated penalties if all four installments are delinquent. In the event of nonpayment, Washoe County files 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 Washoe County Treasurer obtains a deed to the property and sells the property to satisfy the lien.

Inventories and Prepaid Items

Inventories in the governmental funds are valued at cost, which approximates market, using the first-in/first-out method. Inventories in proprietary funds are valued at the lower of cost (first-in/first-out method) or market.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements.

In the governmental fund financial statements, inventories and prepaid items are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

The ordinance levying a connection fee for tapping into the City's sewer lines restricts all monies received 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.

Property Held for Resale

Property held for resale is reported in the governmental fund financial statements and in the governmental activities column on the government-wide financial statements. Property held for resale represents land held by RACOR for eventual resale and the proceeds from such sales must be used for future redevelopment projects.

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 year. All purchased capital assets are valued at cost or estimated historical cost, including capitalized interest incurred during the construction phase on debt-financed projects. Donated assets are recorded at their estimated fair value on the date donated.

The costs of normal maintenance and repairs that do not significantly increase the functionality of the assets or materially extend the assets' useful lives are not capitalized.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and building improvements	10-50
Improvements other than buildings	10-100
Infrastructure	10-60
Machinery, equipment and software	2-20
Art and historical treasures	0-40

(Continued)

Long-term Liabilities

In the government-wide and proprietary fund statements, long-term obligations are reported as liabilities in the statement of net position. Premiums and discounts are deferred and amortized as a component of interest expense over the life of the bonds using the straight-line method, which approximates the effective interest method. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the defeased debt is deferred and amortized as a component of interest expense using the straight-line method, which also approximates the effective interest method. Debt issuance costs are expensed in the period incurred.

In the governmental fund financial statements, premiums, discounts and debt issuance costs are recognized in the period they are paid or received. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

It is the City's policy to permit employees to accumulate earned vacation and sick leave benefits that would be paid to them upon separation from City service if not previously taken. 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. A liability for these obligations is reported in the government-wide and proprietary fund financial statements as incurred. A liability for compensated absences is reported in the governmental fund financial statements only to the extent it is due and payable at year end. Expenditures for compensated absences are recognized by the applicable fund when paid.

Deferred Compensation Plan

In addition to the retirement plan disclosed in Note 4, the City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, which is available to all City employees, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The City is required to, depending on the particular employee association, contribute up to 5% to the deferred compensation plan.

The assets of this plan are held in trust outside the control of the City. Since the assets of this plan are not considered assets of the City and are not subject to the claims of the City's general creditors, this plan is not reported in the government-wide or fund financial statements.

Postemployment Benefits Other Than Pensions (OPEB)

In accordance with the transition rules of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the City elected to apply its measurement and recognition requirements on a prospective basis and set its beginning net OPEB obligation at zero upon adoption. The annual OPEB cost reported in the accompanying financial statements is equal to the annual required contribution (ARC) of the City, calculated by using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The net OPEB obligation at year end is determined by adding the annual OPEB cost to the net OPEB obligation at the beginning of the year and deducting any contributions to the plan during the year.

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Deferred Outflows and Inflows of Resources

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The accumulated decrease in the fair value of the City's derivative instruments and deferred refunding charges (the difference between the reacquisition price and the net carrying amount of the defeased debt) qualify for reporting in this category.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Revenues that are unavailable to satisfy current obligations and property taxes received prior to the levy year qualify for reporting in this category.

Net Position

In the government-wide and proprietary fund financial statements, net position is reported as 1) net investment in capital assets, 2) restricted, or 3) unrestricted. Net position is reported as restricted when constraints placed on it are either 1) imposed by external parties (such as creditors, grantors, contributors or other governments), or 2) imposed by law through a constitutional provision or enabling legislation.

Fund Balance

Fund balances of the governmental funds are classified in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* as follows:

Nonspendable fund balances include items that cannot be spent. This includes amounts that are not in a spendable form (for example, inventories and prepaid items) and amounts that are legally or contractually required to remain intact, such as a permanent fund principal balance.

Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action (resolution or ordinance as both are considered to be equally binding) of the City Council, which is the City's highest level of decision-making authority. These constraints remain binding unless removed or changed in the same manner used to create the constraints.

Assigned fund balances include amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Such intent should be expressed by the City Council or appropriately authorized officials. The City Council has set forth by resolution the manner of making fund balance assignments. Constraints imposed on the use of assigned fund balance mirror the requirements set forth in the applicable GASB statement for all funds except the General Fund. The City Manager was given authority under the same resolution to determine assigned fund balances in the General Fund. For governmental funds, other than the general fund, this is the classification for residual amounts that are not restricted, committed or nonspendable.

Unassigned fund balance is the classification used by the general fund for residual amounts not included in the four categories described above.

(Continued)

Prioritization and Use of Available Resources

When both restricted resources and other resources (i.e., committed, assigned and unassigned) can be used for the same purposes, it is the City's policy to use restricted resources first. Furthermore, when committed, assigned and unassigned resources can be used for the same purpose, it is the City's policy to use committed resources first, assigned second, and unassigned last.

Interfund Activity

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The resulting payables and receivables, which are outstanding at year end, are referred to as due to or from other funds in the fund financial statements. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Use of Estimates

Timely preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect reported amounts. Accordingly, these estimates may require revision in future periods. Significant estimates include compensated absences, postemployement benefits other than pensions, landfill closure and post-closure care and useful lives of capital assets.

Note 2. Stewardship and Accountability

Budgets and Budgetary Accounting

The City adopts annual budgets, in accordance with Nevada Revised Statutes (NRS) and the City's Charter, for all governmental and proprietary fund types, which are formally integrated and employed as a management control device. These budgets were amended for certain funds during the year. All budget augmentations made during the current year were as prescribed by law. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States and used by the City for financial reporting.

The City follows the following procedures to establish, modify, and control budgetary data:

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. These operating budgets include proposed expenditures and expenses and the means of financing them. Appropriations are required to be detailed by type (salaries and wages, employee benefits, services and supplies, or capital outlay) within a department, function and fund.

The budget for all funds is filed as a tentative budget with the State of Nevada (the State or Nevada), Department of Taxation and public hearings are conducted prior to the adoption of the budget to obtain taxpayer comment.

On or before June 1, the budget is legally adopted by a majority vote of the City Council members.

The NRS require budget controls to be exercised at the function level. The City Manager is authorized under the NRS 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 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.

All unencumbered appropriations lapse at the fiscal year end.

The City cannot expend any money, incur any liability, or enter into any contract, which by its terms involves the expenditure of money in excess of the amount appropriated for a given function, except for bond payments, short-term financing payments, and any other long-term contracts expressly authorized by law. In addition, net position in proprietary funds may not be a deficit.

Excess of Expenditures over Appropriations

For the year ended June 30, 2014, total expenditures/expenses exceeded appropriations for the following funds and/or functions, which are potential violations of NRS 354.626:

Drainage Facility Impact Fee, Special Revenue Fund, Community Development Function	$	(114,900)
Courts, Special Revenue Fund, Judicial Function		(4,149)
Community Development Grants Special Revenue Fund, Debt service function		(6)

For the year ended June 30, 2014, total expenditures exceeded appropriations for the following funds and/or functions, which are are exempt from the provisions of NRS 354.626:

City of Reno Debt Service Fund, Debt Service Function	$	(230,628)
Railroad Debt Service Fund, Debt Service Function		(211,311)
Community Assistance Center Capital Project Fund, Debt Service Function		(9,579)
Downtown Events Center Debt Services Fund, Debt Service Function		(262,123)

These over expenditures were funded by available assets in excess of liabilities as represented by fund balance or net position in the respective funds.

Deficit Fund Balance or Net Position

At June 30, 2014, the Drainage Facility Impact Fee Special Revenue Fund had a fund balance deficit of $311 due to the change in fair market value of investments, which reduced revenues by $514.

At June 30, 2014, the Community Assistance Center Capital Projects Fund had a fund balance deficit of $638,675, which will be reduced by General Fund subsidies over the next three years.

At June 30, 2014, the Self-Funded Worker's Compensation Internal Service Fund had a net position deficit of $38,268,905. The deficit is expected to remain until such time as the State Legislature provides a solution to the heart/lung liability issue.

New Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures,* as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. Management is currently awaiting the completed evaluation from the Public Employers Retirement System to complete its evaluation and determine the effect on the City's basic financial statements.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term government combinations is used in this statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services. Management has completed its assessment of this statement and determined that it will not have a material effect on the City's net position, results of operations or cash flows.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for periods beginning after June 15, 2013. The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees and to enhance comparability of financial statements among such governments by requiring consistent reporting by those governments. This statement also will enhance the information disclosed about a government's obligations and risk exposure from extending nonexchange financial guarantees. This statement also will augment the ability of financial statement users to assess the probability that governments will repay obligation holders by requiring disclosures about obligations that are issued with this type of financial guarantee. Management has completed its assessment of this statement and determined that it will not have a material effect the City's net position, results of operations, or cash flows.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date*, and should be applied simultaneously with the provisions of Statement 68. The objective of this statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of the Statement by employers and nonemployers contributing entities. Management is currently awaiting the completed evaluation from the Public Employers Retirement System to complete its evaluation and determine the effect on the City's basic financial statements.

(Continued)

Note 3. Detailed Notes on all Funds

Cash, Cash Equivalents and Investments

At June 30, 2014, the City's cash, cash equivalents and investments (including restricted amounts) were as follows:

Pooled cash, cash equivalents and investments	
Cash in bank	$ 12,899,502
Cash equivalents	21,021,541
Investments	100,773,548
Total pooled cash, cash equivalents and investments	134,694,591
Non-pooled cash, cash equivalents and investments	
Cash on hand	19,000
Cash in bank	6,049,251
Cash equivalents	9,534,184
Total non-pooled cash, cash equivalents and investments	15,602,435
Total cash, cash equivalents and investments	$ 150,297,026

At June 30, 2014, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements as follows:

Governmental activities	$ 87,254,874
Business-type activities	55,030,599
Fiduciary funds	8,011,553
Total cash, cash equivalents and investments	$ 150,297,026

When investing monies, the City is required to comply with the Nevada Revised Statutes (NRS). City monies must be deposited with federally insured banks. The City is authorized to use demand accounts, time accounts and certificates of deposit. The NRS do not specifically require collateral for demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible State investments. Permissible State investments are similar to allowable City investments, described above, except that some State investments are for longer terms and include securities issued by municipalities outside of the State.

At year end, the City's carrying amount of deposits for cash in bank was $18,948,753, and the bank balance was $21,464,684. As of June 30, 2014, the City's bank balance was either insured by the Federal Depository Insurance Corporation (FDIC) or fully collateralized in accordance with the NRS as discussed in the following paragraph.

The City manages its custodial credit risk related to deposits by participating in the State's Pooled Collateral Program, which was created during the 2003 legislative session to monitor collateral maintained by depositories for local government agency deposits. This program provides for centralized processing and management of all pledging and maintenance of collateral by the State Treasurer's Office rather than each local agency and eliminates the need for the City to establish separate custodial agreements with each financial institution.

(Continued)

The City's authorized investment types, maximum maturities, portfolio concentration limits, and minimum credit ratings are as follows:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating: Standard & Poor's	Minimum Rating: Moody's
Banker's acceptances	180 days	20%	5%	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 and medium-term obligations of local governments within the State of Nevada	5 years	None	None	N/A	N/A
Repurchase agreements	90 days	None	10%	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

At June 30, 2014, the City had the following cash equivalents and investments:

	Interest Rate	Maturity	Par	Cost	Fair Value	Weighted Average Maturity (Years)
Pooled cash equivalents and investments						
U.S. Treasury obligations	0.25% to 5.125%	08/15/2015 to 01/31/2017	$ 61,500,000	$ 62,156,085	$ 61,912,745	1.89
Commercial paper	.15%	11/5/2014	5,075,000	5,075,000	5,075,000	.35
U.S. Agency securities						
Federal National Mortgage Association	0.50% to 1.625%	08/28/2014 to 01/30/2017	23,700,000	23,875,493	23,778,603	.63
Federal Home Loan Mortgage Corporation	1%	07/30/2014	10,000,000	10,138,000	10,007,200	.08
Local government investment pool	Variable	On demand		21,021,541	21,021,541	N/A
Total pooled cash equivalents and investments			100,275,000	122,266,119	121,795,089	
Non-pooled cash equivalents and investments						
Money market mutual funds	Variable	On demand		9,534,184	9,534,184	N/A
Total cash equivalents and investments			$ 100,275,000	$ 131,800,303	$ 131,329,273	

* Certain U. S. Agency securities have call provisions, which, if exercised, would shorten the maturity of these investments.

(Continued)

The State of Nevada, Local Government Investment Pool is an external investment pool administered by the State Treasurer, 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 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 any given time. The City manages its exposure to declines in fair value by limiting its weighted average maturity of its investment portfolio to three years or less in accordance with its investment policy.

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of their respective investment pool:

	Standard & Poor's	Moody's	Percentage of Investment Pool
Pooled investments			
U.S. Treasury Notes	*	*	50.83 %
Commercial paper	A1+	P1	4.17 %
U.S. Agency securities			
Federal National Mortgage Association	AA+	Aaa	19.52 %
Federal Home Loan Mortgage Corporation	AA+	Aaa	8.22 %
Local government investment pool	N/A	N/A	17.26 %
Total pooled investments			100.00 %
Non-pooled investments			
Money market mutual funds	AAA	Aaa	100.00 %
Total non-pooled investments			100.00 %

* The requirement to disclose credit ratings does not apply to debt securities of the United States government, or obligations of United States government agencies that are explicitly guaranteed by the United States government.

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. The NRS helps protect against this potential loss by setting limits on the maximum percentage that can be invested in a single issuer.

Investments in any one issuer that represent 5% or more of total investments at June 30, 2014, were as follows:

	Percentage of Portfolio
U.S. Treasury obligations	47.15 %
U.S. Agency securities	
Federal National Mortgage Association	18.11 %
Federal Home Loan Mortgage Corporation	7.62 %
Local government investment pool	16.01 %

Custodial credit risk related to investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the City's investment pool and specific investments had no securities exposed to custodial credit risk.

(Continued)

Derivative Instruments

At June 30, 2014, the City owned two hedging derivative instruments with reported fair values and changes in fair values as follows:

		Change in Fair Value		Fair value at June 30, 2014	
	Notional	Classification	Dr (Cr) Amount	Classification	Dr (Cr) Amount
Derivative instrument # 1 (fixed interest rate swap) Objective – To hedge against changes in cash flows on the 2005A Series variable rate bonds Effective date – October 26, 2005 Maturity date – June 1, 2032 Pay fixed – 3.53% Receive – Lower of 1-month LIBOR or USD-LIBOR (greater of 67% of 1-month LIBOR or 56% of 1-month LIBOR + 44 basis points)	$ 68,325,000	Deferral	$ 328,816	Derivatives	$ (10,505,910)
Derivative instrument # 2 (fixed interest rate swap) Objective – To hedge against changes in cash flows on the 2008A Series variable rate bonds Effective date – March 4, 2008 Maturity date – June 1, 2042 Pay fixed – 3.32% Receive – 67% of 1-month LIBOR	135,255,000	Deferral	(1,188,478)	Derivatives	(24,344,340)

No payment was made by either the City or the counterparty at the inception of the swaps, and all payments under each swap began accruing as of the effective date of the swap.

The fair values were determined by a consulting firm utilizing "mid-market" interest rates and/or securities prices (*i.e.*, the mean between the bid and offer prices) available to the consultant from public and subscription sources believed to be reliable. Therefore, the fair values do not necessarily reflect the actual dollar amount that Goldman Sachs, as the counterparty to both derivatives, would require to be paid to terminate each derivative instrument, nor do they reflect any transaction costs that might be incurred in effecting a termination, in whole or in part.

The synthetic instrument valuation method was used for derivative instrument # 1. This instrument was considered effective; and therefore, its change in fair value was reported as a deferred outflow.

Derivative instrument # 2 is considered a hybrid with a derivative instrument portion and a companion instrument portion related to an $87,600 borrowing for upfront fees paid by the counterparty. The valuation method used for the derivative instrument portion was the synthetic instrument method, and the derivative instrument was considered effective, therefore, its change in fair value was reported as a deferred outflow.

The City was not exposed to credit risk as both derivative instruments were reported as net liabilities on the statement of net position.

(Continued)

The City is exposed to interest rate risk on its pay-fixed, receive-variable interest rate swaps. As LIBOR decreases, the City's net payment increases.

The City is exposed to basis risk because the payments received from the counterparty to the interest rate swaps are based on rates or indexes other than the interest rates the City pays on its hedged, variable rate demand obligation bonds which are remarketed on a daily basis. For the month of June 2014, the weighted average interest rate on the City's hedged 2005A variable-rate debt was 0.08966%, whereas the weighted average rate on the payment received from the counterparty was 0.15300%. For the month of June 2014, the weighted average rate for the hedged 2008A variable-rate debt was 0.04966%, whereas the weighted average rate on the payment received from the counterparty was 0.10187%.

The City is exposed to termination risk because the City or its counterparty may terminate a derivative instrument if the other party fails to perform under the terms of the contract. Termination events include events stated in the swap agreements, as well as failure by the City or the counterparty to maintain certain credit ratings by Standard & Poor's and Moody's.

At June 30, 2014, aggregate debt service requirements of the City's debt (fixed-rate and variable-rate) and net receipts and payments on associated hedging derivative instruments are presented in the following table. The amounts were based on forward rates calculated using swap curves as of June 30, 2014. As these rates vary, interest payments on the variable-rate bonds and net receipts and payments on the hedging derivative instruments will vary.

For the Year Ended June 30,	Principal	Interest	Net Hedging Derivative	Total
2015	$ 3,640,000	$ 336,855	$ 6,574,123	$ 10,550,978
2016	3,960,000	1,256,902	5,527,950	10,744,852
2017	4,300,000	2,504,930	4,144,072	10,949,002
2018	4,665,000	3,202,547	3,297,641	11,165,188
2019	5,050,000	3,708,991	2,630,421	11,389,412
2020 - 2024	31,500,000	20,377,554	8,419,200	60,296,754
2025 - 2029	44,060,000	17,534,679	4,989,026	66,583,705
2030 - 2034	45,495,000	10,942,954	3,205,310	59,643,264
2035 - 2039	35,240,000	5,772,547	2,044,387	43,056,934
2040 - 2044	25,670,000	1,188,460	481,648	27,340,108
	$ 203,580,000	$ 66,826,419	$ 41,313,778	$ 311,720,197

Capital Assets

For the year ended June 30, 2014, capital asset activity was as follows:

	Balance July 1, 2013	Increases	Decreases	Transfers*	Balance June 30, 2014
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	$ 11,824,986	$ 2,032,216	$	$ (8,994,745)	$ 4,862,457
Land	155,452,380	85,359	(3,175,730)		152,362,008
Water rights	1,125,000				1,125,000
Total capital assets not being depreciated or amortized	168,402,366	2,117,575	(3,175,730)	(8,994,745)	158,349,465

(Continued)

	Balance July 1, 2013	Increases	Decreases	Transfers*	Balance June 30, 2014
Capital assets being depreciated or amortized					
Buildings and building improvements	$ 234,642,361	$ 4,460,894	$ (8,726,117)	$ 2,183,392	$ 232,560,529
Improvements other than buildings	365,225,954	94,868		148,734	365,469,556
Infrastructure	905,809,826	17,323,654	(5,086,011)	5,861,922	923,909,390
Machinery, equipment and software	59,088,519	2,648,282	(1,237,039)	800,697	61,300,460
Art and historical treasures	2,390,320				2,390,320
Total capital assets being depreciated or amortized	1,567,156,980	24,527,698	(15,049,167)	8,994,745	1,585,630,255
Accumulated depreciation and amortization					
Buildings and building improvements	(55,764,106)	(5,733,378)	2,335,472		(59,162,011)
Improvements other than buildings	(67,237,909)	(7,449,613)			(74,687,522)
Infrastructure	(543,882,767)	(33,943,740)	4,984,752		(572,841,754)
Machinery, equipment and software	(39,985,863)	(4,008,128)	1,164,574		(42,829,417)
Art and historical treasures	(606,539)	(47,025)			(653,564)
Total accumulated depreciation and amortization	(707,477,184)	(51,181,884)	8,484,798		(750,174,268)
Total capital assets being depreciated or amortized, net	859,679,796	(26,654,186)	(6,564,369)	8,994,745	835,455,987
Total governmental activities	$ 1,028,082,162	$ (24,536,611)	$ (9,740,099)	$	$ 993,805,452

* Includes transfers from and to proprietary funds, if any.

	Balance July 1, 2013	Increases	Decreases	Transfers*	Balance June 30, 2014
Business-type activities					
Capital assets not being depreciated or amortized					
Construction in progress	$ 18,465,350	$ 10,892,778	$	$ (8,579,354)	$ 20,778,774
Land	11,301,180				11,301,180
Water rights	1,812,114				1,812,114
Total capital assets not being depreciated or amortized	31,578,644	10,892,778		(8,579,354)	33,892,068
Capital assets being depreciated or amortized					
Buildings and building improvements	12,304,507				12,304,507
Improvements other than buildings	374,923,971	12,289,371	(591,534)	8,579,354	395,201,162
Machinery, equipment and software	1,245,680	16,995			1,262,675
Total capital assets being depreciated or amortized	388,474,158	12,306,366	(591,534)	8,579,354	408,768,344

(Continued)

	Balance July 1, 2013	Increases	Decreases	Transfers*	Balance June 30, 2014
Accumulated depreciation and amortization					
Buildings and building improvements	$ (5,261,700)	$ (307,775)	$	$	$ (5,569,475)
Improvements other than buildings	(112,810,406)	(8,816,474)	307,266		(121,319,614)
Machinery, equipment and software	(1,005,502)	(57,678)			(1,063,180)
Total accumulated depreciation and amortization	(119,077,608)	(9,181,927)	307,266		(127,952,269)
Total capital assets being depreciated or amortized, net	269,396,550	3,124,439	(284,268)	8,579,354	280,816,075
Total business-type activities	$ 300,975,194	$ 14,017,217	$ (284,268)	$	$ 314,708,143

* Includes transfers from and to governmental funds, if any.

For the year ended June 30, 2014, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	$ 1,433,271
Judicial	476,937
Public safety	1,809,920
Public works	38,398,790
Culture and recreation	5,417,357
Planning and community development	436,222
Urban development	1,388,656
Internal service fund depreciation expense is charged to specific functions based on asset usage	1,820,731
Total depreciation expense, governmental activities	$ 51,181,884
Business-type activities	
Sanitary sewer	$ 9,170,596
Building permit	11,331
Total depreciation expense, business-type activities	$ 9,181,927

Due To and From Other Funds

At June 30, 2014, amounts due to and from other funds resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

	Receivable	Payable
General Fund	$ 315,500	$
Non-major Governmental Funds		315,500
	$ 315,500	$ 315,500

Advances To and From Other Funds

At June 30, 2014, advances to and from other funds resulting from lending or borrowing transactions, were as follows:

	Receivable	Payable
General Fund	$	$ 464,170
Streets Special Revenue Fund		120,877
Non-major Governmental Funds	585,047	644,686
Sanitary Sewer Enterprise Fund	644,686	
	$ 1,229,733	$ 1,229,733

Annual debt service requirements for advances to and from other funds as of June 30, 2014, were as follows:

	Community Assistance Center Loan		Property Tax Settlement	
For the Year Ended June 30,	Principal	Interest	Principal	Interest
2015	$ 212,760	$ 6,447	$ 145,000	$
2016	214,887	4,319	145,000	
2017	217,039	2,171	145,000	
2018			150,047	
2019				
	$ 644,686	$ 12,937	$ 585,047	$

Interfund Transfers

Transfers of unrestricted revenues collected in various funds are used to finance various programs and expenditures accounted for in other funds in accordance with budgetary authorization.

For the year ended June 30, 2014, non-capital asset related interfund transfers were as follows:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Streets Special Revenue Fund	$ 514,807
	Non-major Governmental Funds	1,905,408
	Sanitary Sewer Enterprise Fund	2,500
	Non-major Enterprise Funds	2,500
	Internal Service Funds	119,360
Streets Special Revenue Fund	Non-major Governmental Funds	647,382
Railroad Debt Service Fund	Non-major Governmental Funds	252,806
Downtown Events Center Debt Service Fund	General Fund	7,527,085
City of Reno Debt Service Fund	General Fund	2,073,631
	Streets Special Revenue Fund	5,753,797
	Non-major Governmental Funds	936,441
	Sanitary Sewer Enterprise Fund	112,000
Non-major Governmental Funds	General Fund	2,521,631
	Non-major Governmental Funds	91,109
		$ 22,460,457

(Continued)

Long-term Liabilities

General Obligation Bonds, Tax Allocation Bonds and Notes Payable

The City issues general obligation bonds, tax allocation bonds and notes payable to finance the improvement, acquisition or construction of capital assets including, but not limited to, downtown redevelopment, street and other infrastructure rehabilitation, sewer plant expansion, homeless shelters, low-income housing and other building projects. These bonds and notes constitute general obligations of the City, and the full faith and credit of the City are pledged for the payment of principal and interest.

Pledged Revenue Bonds

The City issues revenue bonds to finance the improvement, acquisition or construction of capital assets including, but not limited to, the downtown events center and ballroom facilities, the new city hall building, multi-purpose bowling facility, infrastructure improvements and other building projects and has pledged specific revenues to repay these bonds.

Governmental activities

Pledged revenue – Up to 15% of consolidated tax revenues	
Total revenue bond principal and interest remaining to be paid at June 30, 2014	$ 248,073,991
Total revenue bond principal and interest paid during the year ended June 30, 2014	$ 7,652,158
Total pledged revenue for the year ended June 30, 2014	$ 6,970,639
Revenue bonds issued and revenue pledge maturity	
2004 General Obligation Building Bonds [1]	June 1, 2024
2003A Building Bonds	June 1, 2018
2005A Capital Improvement Revenue Refunding Bonds [4]	June 1, 2032
2005B Capital Improvement Revenue Refunding Bonds [2]	June 1, 2040
2005C Capital Improvement Revenue Refunding Bonds [2]	June 1, 2037
2013A Capital Improvement Revenue Refunding Bonds [3]	June 1, 2032

1. These bonds are also secured by court administrative assessments, which was the secondary bond repayment source for fiscal year 2014.
2. These bonds are also secured by room taxes, which was the primary bond repayment source for fiscal year 2014.
3. These bonds are also secured by room taxes, which was the primary bond repayment source for fiscal year 2014. Bonds were issued to refund the 2002 Capital Improvements Revenue Bonds.
4. These bonds are also secured by room taxes, which was the primary bond repayment source for fiscal year 2014. Includes payment of fees to the letter of credit provider

Pledged revenue – Court administrative assessment revenues	
Total revenue bond principal and interest remaining to be paid at June 30, 2014	$ 2,809,978
Total revenue bond principal and interest paid during the year ended June 30, 2014	$ 272,248
Total pledged revenue for the year ended June 30, 2014	$ 170,000
Revenue bond issued and revenue pledge maturity	
2004 General Obligation Building Bonds	June 1, 2024

(Continued)

Pledged revenue – 1% tax on the gross receipts received from the rental of transient lodging throughout the Downtown Police Protection District

Total revenue bond principal and interest remaining to be paid at June 30, 2014	$	13,855,820
Total revenue bond principal and interest paid during the year ended June 30, 2014	$	631,867
Total pledged revenue for the year ended June 30, 2014	$	703,885
Revenue bond issued and revenue pledge maturity		
2006 Taxable Senior Lien Room Tax Revenue Refunding Bonds		June 1, 2036

Pledged revenue – 1% tax on the gross receipts received from the rental of transient lodging throughout Washoe County, its 1% tax on gross receipts received from the rental of transient lodging throughout Washoe County except in the Downtown Police Protection District (up to $1.5 million), and its 1.5% tax on the gross receipts received from the rental of transient lodging throughout the Downtown Improvement Area and a pledge of up to 15% of consolidated tax revenues

Total revenue bond principal and interest remaining to be paid at June 30, 2014	$	241,466,463
Total revenue bond principal and interest paid during the year ended June 30, 2014	$	6,753,734
Total pledged revenue for the year ended June 30, 2014	$	5,158,134
Revenue bonds issued and revenue pledge maturity		
2005A Capital Improvement Revenue Refunding Bonds [1]		June 1, 2032
2005B Capital Improvement Revenue Refunding Bonds		June 1, 2040
2005C Capital Improvement Revenue Refunding Bonds		June 1, 2037
2013A Capital Improvement Revenue Refunding Bonds [2]		June 1, 2032

1. Includes payment of fees to the letter of credit provider
2. Bonds were issued to refund the 2002 Capital Improvement Revenue Bonds

Pledged revenue – Up to 75% of the sales tax increment generated in the Nevada Tourism District No. 2006-1 (Cabela's/Boomtown)

Total revenue bond principal and interest remaining to be paid at June 30, 2014	$	45,401,950
Total revenue bond principal and interest paid during the year ended June 30, 2014	$	2,639,375
Total pledged revenue for the year ended June 30, 2014	$	1,997,367
Revenue bonds issued and revenue pledge maturity		
2007A Sales Tax Increment Bonds [1]		June 29, 2027
2007B Sales Tax Increment Bonds [1]		June 29, 2027

1. There were insufficient revenues available to make the June 29, 2014 debt service payment of $1,338,613

Pledged revenue – A portion of the sales tax increment generated by the Summit Sierra Shopping Center, contingent upon meeting certain sales tax growth and qualifying store requirements

Total revenue bond principal and interest remaining to be paid at June 30, 2014	$	9,567,473
Revenue bonds issued and revenue pledge maturity		
2006 Sales Tax Subordinate Lien Bonds [1]		October 1, 2020

1. In fiscal year 2014, the conditions were not met so no debt service payments were made nor were any pledged revenues received by the City

Pledged revenue – Up to 1/8 of 1% of sales tax revenues generated in Washoe County

Total revenue bond principal and interest remaining to be paid at June 30, 2014	$	595,046,120
Total revenue bond principal and interest paid during the year ended June 30, 2014	$	6,235,454
Total pledged revenue for the year ended June 30, 2014	$	7,672,343
Revenue bonds issued and revenue pledge maturity		
2008A Sr. Lien Sales Tax Revenue Refunding Bonds [1]		June 1, 2042
2008B Subordinate Lien Sales Tax Revenue Refunding Bonds [1]		June 1, 2051

1. Includes payment of fees to the letter of credit provider

(Continued)

Pledged revenue – Future gross revenues derived from the City's golf course facilities		
Total revenue bond principal and interest remaining to be paid at June 30, 2014	$	1,655,935
Total revenue bond principal and interest paid during the year ended June 30, 2014	$	278,470
Total pledged revenue for the year ended June 30, 2014	$	(364,267)
Revenue bond issued and revenue pledge maturity		
2004A General Obligation Golf Course Refunding Bonds [1]		July 1, 2019

1. Intended to be repaid solely from golf course operations although the bonds constitute direct and general obligations of the City, and the full faith and credit of the City is also pledged for the principal and interest payments

Pledged revenue – Lease revenues		
Total revenue bond principal and interest remaining to be paid at June 30, 2014	$	9,291,163
Total revenue bond principal and interest paid during the year ended June 30, 2014	$	414,858
Total pledged revenue for the year ended June 30, 2014	$	907,589
Revenue bonds issued and revenue pledge maturity		
2014 Taxable Lease Revenue Refunding Bond [1]		July 1, 2024

1. Bonds were issued to refund the 2006 Taxable Lease Revenue Bond (ReTRAC) and the 2007 Taxable Revenue Bond (Fitzgeralds)

Business-type activities

Pledged revenue – Future utility sewer customer revenues and connection fees		
Total revenue bond principal and interest remaining to be paid at June 30, 2014	$	96,234,428
Total revenue bond principal and interest paid during the year ended June 30, 2014	$	6,724,025
Total pledged revenue for the year ended June 30, 2014	$	31,889,843
Revenue bonds issued and revenue pledge maturity		
2004 Sewer General Obligation Revenue Bonds [1]		July 1, 2024
2005 Sewer General Obligation Revenue Bonds [1]		July 1, 2025
2010 Sewer General Obligation Sewer Refunding Bonds [1]		August 1, 2040

1. Intended to be repaid solely from utility customer net revenues although the bonds constitute direct and general obligations of the City, and the full faith and credit of the City is also pledged for the principal and interest payments

Special Assessment Bonds

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

Installment Purchase Agreements

The City entered into installment purchase agreements to finance solar panel installation, other clean energy conservation projects and parking meters. These agreements constitute general obligations of the City, and the full faith and credit of the City are pledged for the payment of principal and interest.

Outstanding long-term debt obligations at June 30, 2014, were as follows:

	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2014
Governmental activities				
General obligations bonds				
2004 Building Bonds	June 1, 2006 - June 1, 2024	4.00% - 5.00%	$ 3,500,000	$ 2,235,000
2004A Golf Course Refunding Bonds	July 1, 2004 - July 1, 2019	2.25% - 4.00%	3,505,000	1,480,000
2005 Medium-term (Limited Tax) Bonds	December 1, 2006 - December 1, 2014	4.00%	3,275,000	375,000
2010 Medium-term Fire Refunding Bonds	July 1, 2011 - July 1, 2020	3.74%	3,970,000	2,645,000
2013A Capital Improvement Refunding Bonds	June 1, 2018 - June 1, 2032	4.00% - 5.00%	36,115,000	36,115,000
2013B Medium-Term Various Purpose Bonds	June 1, 2014 - June 1, 2023	2.00% - 5.00%	32,995,000	28,450,000
Total general obligations bonds			83,360,000	71,300,000
Tax allocation bonds				
1998F Downtown Redevelopment Project Bonds	September 1, 2000 - September 1, 2017	4.45% -5.25%	22,685,000	5,890,000
2007A Tax Increment Senior Lien (Taxable)	June 1, 2018 - June 1, 2023	6.10%	4,000,000	4,000,000
2007B Tax Increment Senior Lien	June 1, 2019 - June 1, 2027	5.00%	4,000,000	4,000,000
2007C Tax Increment Subordinate Lien	June 1, 2019 - June 1, 2027	5.40%	12,690,000	12,690,000
2008 Tax Increment Bonds - RDA #2	June 29, 2009 - June 29, 2027	6.50%	850,000	690,000
Total tax allocation bonds			44,225,000	27,270,000
Revenue bonds				
2003A Building Bonds	June 1, 2012 - June 1, 2018	1.31%	6,100,000	3,675,000
2005A Capital Improvement Refunding Bonds	June 1, 2008 - June 1, 2032	Variable	73,450,000	68,325,000
2005B Capital Improvement Bonds	June 1, 2037 - June 1, 2040	5.42% - 5.48%	6,445,154	6,445,154
2005C Capital Improvement Bonds	June 1, 2033 - June 1, 2037	5.78%	9,192,402	9,192,402

(Continued)

	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2014
2006C Taxable Room Tax Revenue Refunding Bonds	June 1, 2007 - June 1, 2036	5.91%	$ 8,720,000	$ 7,645,000
2006 Sales Tax Increment Subordinate Lien Bonds	October 1, 2020		10,000,000	9,567,473
2007A Sales Tax Increment Bonds (Cabela's)	June 29, 2009 - June 29, 2027	4.00%	16,525,000	14,545,000
2007B Sales Tax Increment Bonds (Cabela's)	June 29, 2009 - June 29, 2027	6.50%	18,175,000	16,545,000
2008A Senior Lien ReTRAC Refunding Bonds	June 1, 2009 - June 1, 2042	Variable	143,210,000	135,255,000
2008B Subordinate ReTRAC Refunding Bonds	June 1, 2014 - June 1, 2051	6.75% - 7.875%	47,416,227	47,416,227
2014 Taxable Lease Refunding Bonds	June 1, 2014 - June 1, 2024	Variable	9,188,000	8,944,000
Total revenue bonds			348,421,783	327,555,256
Special assessment bonds				
1999 Special Assessment District No. 3	February 1, 2003 - February 1, 2022	4.50% - 5.60%	1,763,728	685,000
1999 Special Improvement District No. 2	June 1, 2007 - June 1, 2025	6.08% - 7.28%	13,905,000	8,900,000
2001 Stead Special Improvement District No. 2	June 1, 2004 - June 1, 2023	2.75% - 5.00%	2,470,000	390,000
2002 Special Improvement District No. 5	December 1, 2006 -December 1, 2025	5.70% - 7.25%	7,500,000	5,515,000
2008A NV Tax-exempt Local Improvement	May 1, 2009 - May 1, 2018	4.167%	430,000	102,000
2008B NV Taxable Local Improvement	May 1, 2009 - May 1, 2026	7.01%	1,115,000	518,000
2010 Special Assessment District No. 2	November 1, 2012 -November 1, 2041	4.00%	939,800	906,070
Total special assessment bonds			28,123,528	17,016,070
Notes payable				
HUD Section 108 Loan Program	August 1, 2012 - August 1, 2020	0.31% - 2.45%	600,000	237,000
RDA Nevada Land LLC	September 1, 2008 - June 1, 2018	4.46%	6,000,000	2,850,000

(Continued)

	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2014
Automated Data Process, Inc.	January 31, 2014 - December 31, 2018		$ 1,251,307	$ 1,126,176
Total notes payable			7,851,307	4,213,176
Installment purchase agreements				
Clean Energy Renewable Installment Purchase Agreement	December 15, 2009 -December 15, 2023	1.00%	2,340,000	1,560,000
Qualified Energy Conservation Bond Installment Purchase Agreement	June 1, 2012 - June 1, 2025	6.45%	2,261,000	1,840,000
Recovery Zone Economic Development Bond Installment Purchase Agreement	June 1, 2012 - June 1, 2027	6.45%	10,860,000	9,663,000
US Bank Equipment Purchase	August 31, 2012 - July 31, 2014	7.72%	171,412	7,681
IPS Group, Inc	March 1, 2014 - February 1, 2019		391,409	358,792
Total installment purchase agreements			16,023,821	13,429,473
Capital lease				
PNC Equipment Finance	May 15, 2013 - May 15, 2018	4.00%	195,190	153,015
Total capital lease			195,190	153,015
Total governmental activities			528,200,629	460,936,990
Business-type activities				
General obligations bonds				
2004 Sewer Revenue Bonds	July 1, 2006 - July 1, 2024	2.76% - 3.11%	73,133,162	46,969,895
2005 Sewer Revenue Bonds	July 1, 2008 - July 1, 2025	2.65%	8,033,095	5,684,152
2010 Sewer (Limited Tax) Refunding Bonds	August 1, 2014 - August 1, 2040	2.00% - 4.125%	21,750,000	21,750,000
Total general obligations bonds			102,916,257	74,404,047
Total business-type activities			102,916,257	74,404,047
Total long-term debt obligations			$ 631,116,886	$ 535,341,037

(Continued)

At June 30, 2014, annual debt service requirements to maturity were as follows:

For the Year Ended June 30,	Principal	Interest
Governmental activities		
General obligations bonds		
2015	$ 6,120,000	$ 3,260,937
2016	6,015,000	3,075,627
2017	6,365,000	2,836,405
2018	7,830,000	2,527,298
2019	8,500,000	2,155,323
2020 - 2024	11,665,000	7,626,802
2025 - 2029	13,720,000	4,734,863
2030 - 2034	11,085,000	1,136,250
Total general obligations bonds	71,300,000	27,353,505
Tax allocation bonds		
2015	1,555,000	1,430,123
2016	1,630,000	1,349,935
2017	1,715,000	1,265,710
2018	1,770,000	1,193,610
2019	1,825,000	1,125,260
2020 - 2024	10,785,000	3,957,623
2025 - 2029	7,990,000	855,533
Total tax allocation bonds	27,270,000	11,177,794
Revenue bonds		
2015	6,900,000	9,900,674
2016	10,736,000	11,493,681
2017	11,326,000	10,415,339
2018	10,448,000	8,708,090
2019	10,414,000	8,277,118
2020 - 2024	66,179,290	47,400,080
2025 - 2029	63,099,586	43,995,254
2030 - 2034	57,669,550	60,083,601
2035 - 2039	50,698,489	91,263,390
2040 - 2044	32,456,680	79,511,649
2045 - 2049	5,701,161	111,673,040
2050 - 2054	1,926,500	50,114,281
Total revenue bonds	327,555,256	532,836,197
Special assessment bonds		
2015	1,117,910	1,159,264
2016	1,162,640	1,085,895
2017	1,199,400	1,008,864
2018	1,246,190	925,164
2019	1,319,010	837,599
2020 - 2024	7,814,650	2,657,860
2025 - 2029	2,610,930	306,756
2030 - 2034	177,020	91,932
2035 - 2039	216,230	52,732
2040 - 2044	152,090	9,288
Total special assessment bonds	17,016,070	8,135,354

(Continued)

For the Year Ended June 30,	Principal	Interest
Notes payable		
2015	$ 883,261	$ 62,546
2016	883,261	49,290
2017	883,261	35,709
2018	883,261	22,144
2019	608,131	6,854
2020 - 2024	72,001	1,772
Total notes payable	4,213,176	178,315
Installment purchase agreements		
2015	739,963	757,593
2016	780,282	723,863
2017	831,282	687,086
2018	885,282	647,019
2019	908,664	603,470
2020 - 2024	5,262,000	2,231,300
2025 - 2029	4,022,000	529,610
Total installment purchase agreements	13,429,473	6,179,941
Capital lease		
2015	37,722	5,349
2016	39,234	3,836
2017	40,807	2,264
2018	35,252	639
Total capital lease	153,015	12,088
Total governmental activities	$ 460,936,990	$ 585,873,194
Business-type activities		
General obligation/pledged revenue bonds		
2015	$ 4,977,257	$ 2,251,589
2016	5,114,794	2,113,754
2017	5,255,978	1,972,068
2018	5,405,920	1,825,014
2019	5,559,724	1,672,397
2020 - 2024	30,318,854	5,829,053
2025 - 2029	5,426,520	2,895,369
2030 - 2034	4,430,000	2,077,150
2035 - 2039	5,415,000	1,089,831
2040 - 2044	2,500,000	104,156
Total general obligation/pledged revenue bonds	74,404,047	21,830,381
Total business-type activities	$ 74,404,047	$ 21,830,381

(Continued)

Long-term liabilities activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Governmental activities					
General obligations bonds					
2004 Building Bonds	$ 2,405,000	$	$ (170,000)	$ 2,235,000	$ 180,000
2004A Golf Course Refunding Bonds	1,700,000		(220,000)	1,480,000	230,000
2005 Medium-term (Limited Tax) Bonds	735,000		(360,000)	375,000	375,000
2009 Medium-term Street Bonds	33,500,000		(33,500,000)		
2010 Medium-term Fire Refunding Bonds	3,100,000		(455,000)	2,645,000	345,000
2013A Capital Improvement Refunding Bonds		36,115,000		36,115,000	
2013B Medium-Term Various Purpose Bonds		32,995,000	(4,545,000)	28,450,000	4,990,000
Total general obligations bonds	41,440,000	69,110,000	(39,250,000)	71,300,000	6,120,000
Tax allocation bonds					
1998F Downtown Redevelopment Project Bonds	7,335,000		(1,445,000)	5,890,000	1,520,000
2007A Tax Increment Senior Lien (Taxable)	4,000,000			4,000,000	
2007B Tax Increment Senior Lien	4,000,000			4,000,000	
2007C Tax Increment Subordinate Lien	12,690,000			12,690,000	
2008 Tax Increment Bonds - RDA #2	720,000		(30,000)	690,000	35,000
Total tax allocation bonds	28,745,000		(1,475,000)	27,270,000	1,555,000
Revenue bonds					
2002 Capital Improvement Revenue Bonds	38,220,000		(38,220,000)		
2003A Building Bonds	4,515,000		(840,000)	3,675,000	870,000
2005A Capital Improvement Refunding Bonds	69,875,000		(1,550,000)	68,325,000	1,725,000
2005B Capital Improvement Bonds	6,445,154			6,445,154	
2005C Capital Improvement Bonds	9,192,402			9,192,402	
2006 Taxable Room Tax Revenue Refunding Bonds	7,815,000		(170,000)	7,645,000	180,000

(Continued)

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
2006 Sales Tax Increment Subordinate Lien Bonds	$ 9,567,473	$	$	$ 9,567,473	$
2006 Taxable Lease Revenue Bonds	9,831,684		(9,831,684)		
2007 Fitzgerald's Taxable Revenue Bonds	5,767,000		(5,767,000)		
2007A Sales Tax Increment Bonds (Cabela's)	15,060,000		(515,000)	14,545,000	870,000
2007B Sales Tax Increment Bonds (Cabela's)	16,975,000		(430,000)	16,545,000	780,000
2008A Senior Lien ReTRAC Refunding Bonds	137,030,000		(1,775,000)	135,255,000	1,915,000
2008B Subordinate ReTRAC Refunding Bonds	47,416,227			47,416,227	
2014 Taxable Lease Refunding Bonds		9,188,000	(244,000)	8,944,000	560,000
Total revenue bonds	377,709,940	9,188,000	(59,342,684)	327,555,256	6,900,000
Special assessment bonds					
1999 Special Assessment District No. 3	775,000		(90,000)	685,000	90,000
1999 Special Improvement District No. 2	9,620,000		(720,000)	8,900,000	560,000
2001 Stead Special Improvement District No. 2	1,025,000		(635,000)	390,000	35,000
2002 Special Improvement District No. 5	5,810,000		(295,000)	5,515,000	315,000
2008A NV Tax-exempt Local Improvement	145,000		(43,000)	102,000	30,000
2008B NV Taxable Local Improvement	637,000		(119,000)	518,000	70,000
2010 Special Assessment District No. 2	923,270		(17,200)	906,070	17,910
Total special assessment bonds	18,935,270		(1,919,200)	17,016,070	1,117,910
Notes payable					
HUD Section 108 Loan Program	270,000		(33,000)	237,000	33,000
RDA Nevada Land LLC	3,450,000		(600,000)	2,850,000	600,000
Automated Data Processing, Inc.		1,251,307	(125,131)	1,126,176	250,261
Total notes payable	3,720,000	1,251,307	(758,131)	4,213,176	883,261
Installment purchase agreements					
Clean Energy Renewable Installment Purchase Agreement	1,716,000		(156,000)	1,560,000	156,000

(Continued)

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Qualified Energy Conservation Bond Installment Purchase Agreement	$ 1,984,000	$	$ (144,000)	$ 1,840,000	$ 147,000
Recovery Zone Economic Development Bond Installment Purchase Agreement	9,838,000		(175,000)	9,663,000	351,000
2012 USB Bank Equipment Finance	96,114		(88,433)	7,681	7,681
IPS Group, Inc		391,409	(32,617)	358,792	78,282
Total installment purchase agreements	13,634,114	391,409	(596,050)	13,429,473	739,963
Capital lease					
2012 PNC Equipment Finance	189,283		(36,268)	153,015	37,722
Unamortized bond premiums and discounts, net	123,101	5,599,737	(643,716)	5,079,122	
Compensated absences	20,095,891	9,001,035	(9,804,834)	19,292,092	8,630,917
Postemployment benefits other than pensions	73,531,193	18,014,544	(5,383,398)	86,162,339	
Self-insurance liability	46,998,792	25,642,859	(26,279,459)	46,362,192	7,259,360
Total governmental activities	625,122,584	138,198,891	(145,488,740)	617,832,735	33,244,133
Business-type activities					
General obligation/pledged revenue bonds					
2004 Sewer Revenue Bonds	50,895,465		(3,925,570)	46,969,895	4,038,414
2005 Sewer Revenue Bonds	6,101,853		(417,701)	5,684,152	428,843
2010 Sewer (Limited Tax) Refunding Bonds	21,750,000			21,750,000	510,000
Total general obligation/pledged revenue bonds	78,747,318		(4,343,271)	74,404,047	4,977,257
Unamortized bond premiums and discounts, net	73,071		(2,706)	70,365	
Compensated absences	1,169,186	803,676	(879,132)	1,093,730	702,119
Postemployment benefits other than pensions	2,711,198	895,568	(465,579)	3,141,187	
Total business-type activities	82,700,773	1,699,244	(5,690,688)	78,709,329	5,679,376
Total long-term liabilities	$ 707,823,357	$ 139,898,135	$ (151,179,428)	$ 696,542,064	$ 38,923,509

(Continued)

Compensated absences, postemployment benefits other than pensions and self-insurance liabilities are typically liquidated by the general fund; community development, community assistance and streets special revenue funds; enterprise funds; and internal service funds.

Unamortized deferred refunding charges

Pursuant to GASB 65, 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 reported as either a deferred inflow or outflow of resources, and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. Prior to the adoption of GASB 65, unamortized deferred refunding gains/losses were reported as a component of debt.

For the year ended June 30, 2014, activity related to the City's unamortized deferred refunding charges was as follows:

	Government Activities	Business-type Activities	Total
Balance June 30, 2013	$ 30,444,352	$ 354,951	$ 30,799,303
Additions	1,502,037		1,502,037
Reductions	(1,460,477)	(13,146)	(1,473,623)
Balance June 30, 2014	$ 30,485,912	$ 341,805	$ 30,827,717

Variable Rate and Demand Bonds

At June 30, 2014, debt obligations that include demand clauses and/or variable interest rates were as follows:

Series 2005A Tax-exempt Capital Improvement Revenue Refunding Bonds
These bonds are weekly variable rate (up to a maximum 15%) demand bonds that are remarketed by Merrill Lynch, Pierce, Fenner & Smith, Inc., and include a 3.53% interest rate swap component that is further discussed above under "Derivative Instruments."

Series 2008A Senior Lien Sales Tax Revenue Refunding Bonds
These bonds are daily variable rate (up to a maximum 15%) demand bonds remarketed by Bank of New York Mellon, and include a 3.32% interest rate swap component that is further discussed above under "Derivative Instruments."

Series 2014 Taxable Lease Refunding Bonds
The interest rate is equal to One-Month LIBOR plus 0.40% per annum and is adjusted on the first business day of each month. The interest rate has a maximum cap of 12%.

RDA-Nevada Land, LLC Note Payable
The interest rate is equal to one-month LIBOR plus 2% and is determined on a daily basis.

Letters of Credit

The City has an irrevocable direct-pay letter of credit issued by The Bank of New York Mellon, N.A. which secures payment of principal and interest on the Series 2008A Senior Lien Sales Tax Revenue Refunding Bonds in the event the bonds are not successfully remarketed on a daily basis. The letter of the credit would allow the trustee to draw up to an amount equal to the principal amount of the outstanding bonds plus interest at a maximum rate of 15% for a period of 39 days. The letter of credit reimbursement agreement was issued on March 1, 2008, with an original termination date of March 4, 2011. The letter of credit has been extended over the years and is now scheduled to terminate June 2, 2015. The City pays a quarterly letter of credit fee of 60 basis points per annum times the outstanding principal balance plus an interest portion on the bonds. As of June 30, 2014, no draws are outstanding on this letter of credit.

(Continued)

The City has an irrevocable direct-pay letter of credit issued by the Bank of America, N.A. which secures payment of principal and interest on the Series 2005A Capital Improvement Revenue Refunding Bonds in the event the bonds are not successfully remarketed on a weekly basis. The letter of the credit would allow the trustee to draw up to an amount equal to the principal amount of the outstanding bonds plus interest at a maximum rate of 15% for a period of 39 days. The letter of credit reimbursement agreement was issued on February 1, 2009, with an original termination date of February 5, 2012. The letter of credit has been extended over the years and is now scheduled to terminate August 30, 2016. The City pays a quarterly letter of credit fee of 130 basis points per annum times the outstanding principal balance plus an interest portion on the bonds. As of June 30, 2014, no draws are outstanding on this letter of credit.

Debt Covenants and Legal Debt Margin

Certain long-term liabilities are subject to restrictive debt covenants with which management believes the City to be in compliance.

The amount of long-term general obligation debt that can be incurred by the City is limited by the NRS and the City's Charter limits total outstanding long-term liabilities (debt principal) during a year to no more than 15% of the assessed value of taxable property at the beginning of the fiscal year. Management believes the City to be in compliance with these requirements.

Debt Defeasance

In prior years, the City defeased certain long-term bond obligations by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. As of June 30, 2014, none of the previously defeased debt remained outstanding.

New Debt Issued

On July 9, 2013, the City of Reno issued the Series 2013A General Obligation (Limited Tax) Capital Improvement Refunding Bonds (Additionally Secured by Pledged Revenues). Proceeds of the bonds were to used defease the outstanding balance of the Series 2002 Capital Improvement Revenue Bonds. The bonds will mature annually on June 1 beginning June 1, 2018, and ending June 1, 2032. The interest rate on these bonds ranges between 4.00% and 5.00% and are payable semiannually on December 1 and June 1. The bonds are payable from up to 15.00% of the City's consolidated tax revenues and room tax revenues received by the City pursuant to the Bowling Facility Tax and the 1999 Tax. The deferred loss incurred on the refunding was $332,017. The net present savings from a cash flow perspective is $3,985,533.

On July 9, 2013, the City of Reno issued the Series 2013B Medium-Term Bonds. Proceeds of these bonds were to defease the outstanding balance of the Series 2009 Medium-Term Street Bonds and to obtain $908,000 for the financing of the costs to acquire, construct, improve and equip fire protection projects. The bonds will mature annually on June 1 beginning June 1, 2014, and ending June 1, 2023. The interest rate on these bonds ranges between 2.00% and 5.00% and are payable semiannually on December 1 and June 1. The bonds are payable any monies legally available for the purpose of making such payments. The deferred loss incurred on the refunding portion was $1,005,230. The net present savings from a cash flow perspective is $1,343,181.

(Continued)

On March 5, 2014, the City of Reno issued the Series 2014 Taxable Lease Revenue Refunding Bonds. Proceeds of of these bonds were to defease the outstanding balance of the Series 2006 Taxable Lease Revenue Bonds and the Series 2007 Taxable Lease Revenue Bonds. The bonds will mature annually on June 1 beginning June 1, 2014, and ending June 1, 2024. The interest rate on these bonds is variable using One-Month LIBOR plus 0.40%, and interest is payable semiannually on December 1 and June 1. The bonds are payable with pledged lease revenues on various properties. The deferred loss incurred on the refunding portion was $164,790. The net present savings from a cash flow perspective is $1,629,709.

On January 15, 2014, the City of Reno finalized a medium-term obligation with ADP in the amount of $1,251,307. Proceeds were used to finance implementation a new payroll system. The zero interest debt is payable in monthly installments of $20,855 beginning January 31, 2014, with the last installment due December 31, 2018.

On December 11, 2013, the City of Reno approved an installment purchase agreement with IPS Group, Inc., in the amount of $391,409 for the purchase of a parking meter system. The zero interest debt is payable in monthly installments of $6,523.48 beginning February 28, 2014, with the last installment due January 31, 2019.

Arbitrage Rebate Requirement

The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to certain long-term debt obligations. Under this Act, an arbitrage amount may be required to be rebated to the United States Treasury for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. As of the most recent date, management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination.

Conduit Debt

The City has provided third-party borrowers conduit debt to finance the improvement, acquisition or construction of capital assets, which are deemed to be in the public interest, including, but not limited to, industrial and commercial facilities and equipment. The conduit debt obligations are secured by the pledged revenues of the third-party borrowers, and the City has no obligation with respect to the conduit debt after its issuance because a third-party trustee services the debt. The conduit debt, issued pursuant to NRS 268, is not, and shall never become, an obligation of the City.

(Continued)

Outstanding conduit debt obligations at June 30, 2014, were as follows:

Third-party Borrower	Bond Issue	Issuance Date	Original Amount	Balance June 30, 2014
Dignity Health (previously known as, Catholic Healthcare West)	2007A	April 6, 2008	$ 94,030,000	$ 51,945,000
Renown Regional Medical Center (previously known as Washoe Medical Center, Inc.)	2004A/2004C	June 29, 2004	134,350,000	111,460,000
Renown Regional Medical Center (previously known as, Washoe Medical Center, Inc.)	2005A/2005B	February 10, 2005	96,025,000	87,700,000
Renown Regional Medical Center	2007A	April 11, 2007	120,000,000	111,375,000
Renown Regional Medical Center	2008A/2008B	June 26, 2008	86,800,000	81,750,000
Renown Regional Medical Center	2009A/2009B	January 15, 2009	63,600,000	61,815,000
			$ 594,805,000	$ 506,045,000

Special Assessment Debt

The City has issued various special assessment bonds, the proceeds of which have been used to fund specific infrastructure improvements. These bonds do not constitute debt of the City within the meaning of any constitutional or statutory provision or limitation, are not considered a general obligation of the City, and are considered special obligations payable solely from assessment levied in the special assessment districts. Furthermore, the City is not secondarily liable in the case of payment deficiencies. The City uses a fiduciary (agency) fund to account for special assessment revenue collections and repayment of the related debt.

Outstanding special assessment debt obligations accounted for in a fiduciary (agency) fund at June 30, 2014, were as follows:

	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2014
2000 Special Assessment District No. 2 Bonds (Sierra Corporate Center Project)	February 1, 2003 - February 1, 2022	3.75% - 6.80%	$ 4,135,622	$ 1,550,000
2002 Special Assessment District No. 4 Bonds (Somersett Parkway Project)	December 1, 2014 -December 1, 2022	2.00% - 4.20%	5,535,000	5,535,000
2002 Special Assessment District No. 3 Bonds (Double R Boulevard Project)	December 1, 2004 -December 1, 2023	2.00% - 6.10%	7,100,000	3,290,000
			$ 16,770,622	$ 10,375,000

(Continued)

Segment Information

The City has issued long-term debt (in some cases revenue supported) to finance the improvement, acquisition or construction of capital assets. This debt has historically been paid from the revenues of the City's Sanitary Sewer Fund, the financial position, results of operations and cash flows of this enterprise fund is presented separately in the accompanying proprietary fund financial statements and no additional segment information disclosure is considered necessary.

Note 4. Other Information

Operating Lease Commitments

The City has entered into various noncancelable leases, primarily for copier equipment and office buildings. Such leases expire at various times through June 2051. For the year ended June 30, 2014, rent expense totaled $477,748. At year end, the City's future minimum lease payments under these non-cancelable operating leases were as follows:

For the Year Ended June 30,	
2015	$ 449,066
2016	324,386
2017	324,885
2018	279,706
2019	161,614
2020 - 2024	808,070
2025 - 2029	808,070
2030 - 2034	808,070
2035 - 2039	808,070
2040 - 2044	808,070
2045 - 2049	808,070
2050 - 2054	323,228
	$ 6,711,305

Other Commitments

Commitments outstanding for construction and construction-related services at June 30, 2014, for the City totaled approximately $39.3 million. Commitments were $1.9 million for non-construction related services.

Enterprise fund construction in progress at June 30, 2014, primarily represents progress on sewer projects, including sewer and storm drain rehabilitations, construction of interceptors, and treatment plant improvements. Of the above amount, outstanding construction-related commitments total $6.0 million for City of Reno enterprise fund projects and $29.2 million for the Truckee Meadows Water Reclamation Facility improvements.

(Continued)

Litigation

In the ordinary course of its operations, claims are filed against the City including, but not limited to those arising from alleged improper actions by employees, police actions and negligence. City management intends to vigorously defend each claim and, although, total damages claimed are substantial, believes that most of these claims will settle for substantially less than the claimed amount, may be partially offset by payments from the City's liability insurance policies, discussed below under "Risk Management," and will not result in any material adverse future effect on the City's financial position, results of operation, or cash flows.

The City does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these and other risks, the City established the risk retention and self-funded workers compensation internal service funds and purchases commercial insurance coverage.

The risk retention and self-funded workers compensation internal service funds provide coverage up to $2,500,000 for each workers compensation claim, $1,000,000 for each general liability claim and $50,000 for each property damage claim (except for flood and earthquake occurrences).

The City purchases commercial insurance coverage for claims in excess of the coverage provided by the risk retention and self-funded workers compensation internal service funds and for other insurable risks of loss. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

Over the last few years, the United States has experienced a widespread decline in residential real estate sales, mortgage lending and related construction activity, high unemployment, as well as weakness in the commercial and investment banking systems, which has had for-reaching effects on the economic activity in the country. In fiscal years 2013 and 2014, the economy has begun to stabilize and has helped to stabilize the City’s current operations as well. However, the long-term impact of these factors on the Nevada economy and the City's future operations cannot be predicted at this time, but may be substantial.

The City’s cash and cash equivalents on deposit with financial institutions are often in excess of federally-insured limits, and the risk of losses related to such concentrations may increase as a result of the economic conditions discussed in the preceding paragraph. The extent of a future loss to be sustained as a result of uninsured deposits in the event of a future failure of a financial institution, if any, however, is not subject to estimation at this time.

Risk Retention and Self-funded Workers Compensation Internal Service Funds

All City funds participate in and make payments to the risk retention and self-funded workers compensation internal service funds based on actuarial estimates of the amounts need to pay documented claims and establish a reserve for unknown claims. At June 30, 2014, the risk retention internal service fund had a reserve for unknown claims of $1,261,032 and $18,071,046 of reserves in the self-funded workers compensation internal service fund.

(Continued)

For the fiscal years ended June 30, 2014, 2013 and 2012, changes in unknown claims liability amounts were as follows:

	Risk Retention Internal Service Fund	Self-funded Workers Compensation Fund
Claims liability, June 30, 2012	$ 2,516,254	$ 38,437,292
Claims incurred and changes in estimate	2,896,954	5,234,473
Claims paid	(307,743)	(4,483,696)
Claims liability, June 30, 2013	5,105,465	39,188,069
Claims incurred and changes in estimate	(1,779,566)	5,024,326
Claims paid	(83,272)	(3,823,571)
Claims liability, June 30, 2014	$ 3,242,627	$ 40,388,824
Claims liability, due within one year	$ 585,141	$ 4,588,949
Claims liability, due in more than one year	$ 2,657,486	$ 35,799,875

Self-funded Medical Plan Internal Service Fund

The City offers health care, dental, vision and life insurance coverage under a plan offered by the City, which offers two plan options, the City of Reno Group Health Plan or the Hometown Health Plan (the City Plan) to eligible City employees and their dependents. Eligibility, benefits and employee cost are dependent upon the applicable bargaining unit contract. The City maintains stop-loss coverage in the amount of $300,000 per employee per year. With the implementation of the Affordable Healthcare Act of 2010, the City no longer has a maximum payment per individual per lifetime.

The City reports activity related to the City Plan in the self-funded medical plan internal service fund and payments received for coverage are accounted for as operating revenues in the self-funded medical plan internal service fund and as expenditures/expenses, as appropriate, in the paying fund. Claims under the Hometown Health Plan are administered by Hometown Health Providers, Inc.

An actuarial determined liability amount for claims incurred but not reported has been recorded in the self-funded medical plan internal service fund.

For the fiscal years ended June 30, 2014, 2013 and 2012, changes in claims liability amounts were as follows:

	Self-funded Medical Plan Fund
Claims liability, June 30, 2012	$ 2,477,334
Claims incurred and changes in estimate	21,305,005
Claims paid	(21,077,081)
Claims liability, June 30, 2013	2,705,258
Claims incurred and changes in estimate	22,398,099
Claims paid	(22,372,616)
Claims liability, June 30, 2014	$ 2,730,741
Claims liability, due within one year	$ 2,085,270
Claims liability, due in more than one year	$ 645,471

Joint Ventures

Truckee Meadows Water Reclamation Facility

Pursuant to an agreement dated March 24, 1980, the Cities of Reno and Sparks (the Cities) jointly own and operate the wastewater treatment facility commonly known as the Truckee Meadows Water Reclamation Facility (TMWRF). A committee known as the Reno-Sparks Coordinating Committee advises the City Councils of Reno and Sparks on matters relating to TMWRF. The Cities have joint control in approving budgets for TMWRF and providing financing for the operations thereof and as of June 30, 2014, approximately 68.63% of TMWRF's capacity was owned by the City of Reno and 31.37% by the City of Sparks.

The City of Sparks is responsible for administration and daily operations of TMWRF. The City of Reno is responsible for TMWRF's construction-related contracts. The cost of operating and maintaining TMWRF 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 TMWRF's capital assets, thereby creating an accumulated deficit.

During the year ended June 30, 2014, the City of Reno's share of TMWRF's gain after contributions as recorded in the sanitary sewer enterprise fund, was $3,929,578. The City of Reno uses the equity method to account for its investment in TMWRF in the Sewer Operations Enterprise Fund, which, as of June 30, 2014, is $81,342,089.

The City of Reno obtained a loan from the State of Nevada Revolving Loan Fund to finance an expansion project at TMWRF. At June 30, 2014, the City of Reno has recorded $7,740,841 as a long-term receivable from the City of Sparks for the City of Sparks' share of the amount drawn on the loan. The City of Sparks' payments on the liability to the City of Reno, including interest coincide with the City of Reno's payment to the State of Nevada on the loan.

Commitments outstanding for construction projects at TMWRF at June 30, 2014 totaled approximately $29.2 million. These commitments will be shared by the City of Reno and the City of Sparks at their respective shares.

(Continued)

In March 2013, during excavation activities related to the Southeast Connector roadway construction, solid waste and impacted soil was discovered on TMWRF property. A third party environmental investigation firm was retained to provide the necessary analysis and coordination of waste and soil removal from the site, as well as to prepare a report for submittal to the Washoe County Health Department and Nevada Department of Environmental Protection to determine if further remediation is necessary. It was determined that approximately 2800 cubic yards of impacted material needed to be removed from the site and disposed of at a local landfill. All contaminated soil from the abandoned dumpsite has been properly disposed of at the regional landfill. The final Total Petroleum Hydrocarbon concentrations were low enough to have the waste accepted as regular trash. The soil remediation report indicates that the extent of the impacted area was well defined and no additional waste material is present. Washoe County District Health Department has requested that the NDEP Bureau of Corrective Actions issue a No Further Action Determination. The Facility received the determination letter from NDEP Bureau of Corrective Actions on November 14, 2014, and considers the matter closed.

In order to comply with Washoe County District Health Department (WCDHD) Air Quality Regulations, as well as the EPA Clean Air Act (CAA) National Ambient Air Quality Standards (NAAQS), TMWRF was requested by the WCDHD Air Quality Management Division to perform facility emissions sampling/testing in order to create an emissions model for TMWRF. TMWRF has performed the emissions sampling and testing required by the USEPA and WCDHD. This sampling indicated that TMWRF was a minor source of pollutants and must install appropriate pollution control equipment to minimize the pollution. A permit granting the Authority to Construct for the digester gas conditioning system was issued by WCDHD in July of 2013. The construction of the digester gas conditioning system is substantially complete and in the initial calibration phase. This $4.4 million project will re-establish the Facility's ability to property treat the digester gas prior to flaring. The project is scheduled to be complete before the December 31, 2014 deadline. Regular, bi-monthly progress reports are submitted to both the WCDHD and US EPA Region 9.

In calendar year 2013, the Facility exceeded its annual average of the daily nitrogen discharge to the Truckee River. The Facility has a limit of 500 lbs/day for calendar 2013. This violation resulted in a fine of $16,500, which was paid in October of 2014. This is not expected to reoccur as significant process improvements have been made at the Facility to monitor and prevent excess nitrogen discharges to the Truckee River. However, compliance with nitrogen levels for 2014 is unknown. Any enforcement action by NDEP, as well as the nature of the enforcement action, can only be determined if and when the NDEP determines permitted nitrogen requirements were not met.

Separate financial statements and information for TMWRF are available by contacting TMWRF or the Financial Services Director of the City of Sparks at 431 Prater Way, P.O. Box 857, Sparks, NV 89432-0857.

Local Government Oversight Committee Joint Venture (Truckee River Water Quality Settlement)

Pursuant to an interlocal agreement amended and restated on June 11, 1997, and July 28, 1998, the Cities of Reno and Sparks and Washoe County (the Joint Venture Participants) 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 Cities of Reno and Sparks (the Cities), Washoe County, the U.S. Department of the Interior (DOI), the U.S. Department of Justice (DOJ), the U.S. Environmental Protection Agency (EPA), the Nevada Division of Environmental Protection and the Pyramid Lake Paiute Tribe of Indians (the TRIBE).

The TRWQSA settled and dismissed pending litigation by the TRIBE filed in 1998 relating to the expansion of the Facility, which is operated by the Cities. It allows the Cities to use the Facility'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. Proceeds received from the resale of land acquired incidentally, or from the retirement of challenged water rights have been netted against expenditures when received. As of June 30, 2014, the joint venture fulfilled its spending requirements, with net program expenditures of $12,033,002.

Pursuant to the agreement, the City began transferring a portion of the sewer connection fees to pay its share of the financing. The City fully paid its share of the purchase and ceased remitting fees to Washoe County in fiscal year 2007.

Washoe County is responsible for administration of the joint venture. Water rights are jointly managed by Washoe County, Sparks, and DOI. This 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.

This arrangement is considered a joint venture with no equity interest because no explicit and measurable equity interest is deemed to exist and all equity is reserved for purchase of water rights and repayment of debt; and is therefore unavailable to the entities. Washoe County is responsible for administration of the joint venture. Each Joint Venture Participant owns an undivided and equal interest in the property and water rights purchased and the amount attributable to the City at June 30, 2014, is $3,970,718.

Separate financial statements and information for the joint venture are available by contacting the Washoe County Comptroller's Department, 1001 E. 9th Street, Room D200, Reno, Nevada 89512.

Truckee Meadows Water Authority

The Truckee Meadows Water Authority (the Authority) is a joint powers authority formed in November 2000, pursuant to a Cooperative Agreement (the Agreement) among the Cities of Reno and Sparks and Washoe County (the Participants). 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 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 the Participants or of the State of Nevada.

The Authority is considered a joint venture because the Agreement results in a contractual entity, joint control exists in a seven member governing body with three directors appointed by the City of Reno, two directors appointed by the City of Sparks, one director appointed by Washoe County and one at-large director, who shall be an elected official from the governing body of a member, and there is an ongoing financial responsibility on the part of the Participants. The arrangement is considered a joint venture with no equity interest recorded on the City's balance sheet as of June 30, 2014, because no explicit and measurable equity interest is deemed to exist.

(Continued)

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 has been modified over the years with the most recent amendment dated June 27, 2012, to address the services performed by the City, primarily certain human resources-related tasks, payroll and employee benefit administration. The fee for such services was reduced to $4,806 per month for fiscal year 2014. In addition to the aforementioned agreement, the Authority also contracts with the City for vehicle maintenance under a fleet services agreement. The Authority paid $337,606 during the year ended June 30, 2014 for vehicle maintenance.

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

Pension Plan

The City's employees are covered by the State's Public Employees' Retirement System (PERS). PERS was established on July 1, 1949, by the State Legislature and is governed by the Public Employees Retirement Board whose seven members are appointed by the Governor. All public employees who meet certain eligibility requirements may participate in PERS, which is a cost-sharing multiple employer defined benefit plan.

The City does not exercise any control over PERS. NRS 286.110 states, "respective participating public employers are not liable for any obligation of the system." PERS issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by writing to PERS at 693 West Nye Lane, Carson City, Nevada 89703-1599 or by calling (775) 687-4200.

Benefits, as required by NRS, are determined by the number of years of accredited service at the time of retirement and the participant's highest average compensation in any 36 consecutive months. Benefit payments to which participants in PERS may be entitled include pension, disability, and death benefits.

Contribution rates are established by the NRS, which are tied to the increase in taxable sales within the State each year and provide for yearly increases until such time as the actuarially determined unfunded liability of PERS is reduced to zero. The City is obligated to contribute all amounts due under PERS. The City's contributions to PERS were as follows:

Contribution rates and amounts contributed for the previous three years were as follows:

	Contribution Rate			
For the Year Ended June 30,	Police and Fire Employees	Judicial Employees	Other Employees	Required Contribution and Amount Contributed
2012	39.75 %	24.25 %	23.75 %	$ 26,611,015
2013	39.75 %	24.25 %	23.75 %	27,379,670
2014	40.50 %	31.00 %	25.75 %	28,479,444

(Continued)

Postemployment Benefits Other Than Pensions (OPEB)

Plan Information

In accordance with NRS, the City provides other postemployment benefits to retirees. Eligible retirees receive coverage through a plan offered by the City, which offers three plan options, the City of Reno Group Health Plan, the City of Reno High Deductible Plan, or Hometown Health Plan. In addition to the City Plan, eligible retirees may receive coverage through the Public Employee Benefit Plan (PEBP).

The City Plan offers its retirees healthcare, dental, vision and life insurance benefits. Eligibility and subsidy requirements are dependent upon the applicable bargaining unit contract. 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. A separate, audited post-employment benefit plan report for the City plan has not been prepared.

PEBP is an agent multiple-employer defined benefit plan administered by a nine member governing board that provides medical, prescription, dental and vision benefits to retirees. Eligibility and subsidy requirements are governed by the NRS and can only be amended through legislation. In 2008, the NRS were amended and as a result of this amendment, the number of retirees for whom the City is obligated to provide postemployment benefits is limited to eligible employees who retired from City service prior to September 1, 2008. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Public Employee Benefit Plan, 901 South Stewart Street, Suite 101, Carson City, NV 89701 or by calling (775) 684-7000.

Funding Policy and Annual OPEB Cost

The City is required to provide a subsidy, based on years of service for its retirees that have enrolled in the PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. In fiscal year 2014, this subsidy ranged from $114 to $627 per retiree, per month.

Cost sharing for the City Plan is a percentage of the full health insurance (medical, dental and vision) premium as determined by the applicable bargaining unit contract and ranges from $319 to $664 per retiree, per month (50% to 100% of the full medical premium).

Annual OPEB cost for the plan is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

(Continued)

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

	Public Employee Benefit Program	City of Reno Plan	Total
Annual required contribution (ARC)	$ 222,880	$ 19,069,812	$ 19,292,692
Interest on net OPEB obligation	253	3,049,443	3,049,696
Adjustment to ARC	(396)	(3,431,880)	(3,432,276)
Annual OPEB cost	222,737	18,687,375	18,910,112
OPEB contributions made	(255,332)	(5,593,645)	(5,848,977)
Increase (decrease) in net OPEB obligation	(32,595)	13,093,730	13,061,135
Net OPEB obligation, beginning of year	6,333	76,236,058	76,242,391
Net OPEB obligation, end of year	$ (26,262)	$ 89,329,788	$ 89,303,526

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plan and the net OPEB obligation for the years ended June 30, 2014, 2013 and 2012 were as follows:

For the Year Ended June 30,	Annual OPEB Cost	OPEB Contributions Made	Percentage Contributed	Net OPEB Obligation
Public Employee Benefit Program				
2012	$ 272,073	$ 304,055	111.8 %	$ 11,635
2013	270,377	275,679	102.0 %	6,333
2014	222,737	255,332	114.6 %	(26,262)
City of Reno Plan				
2012	17,257,348	5,515,101	32.0 %	63,501,745
2013	18,276,215	5,541,902	30.3 %	76,236,058
2014	18,687,375	5,593,645	29.9 %	89,329,788

Funded Status and Funding Progress

The funded status of the plans as of the most recent actuarial valuation date was as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program						
July 1, 2013	N/A [1]	$ 3,562,240	$ 3,562,240	0.0 %	$ N/A [2]	N/A [2]
City of Reno Plan						
July 1, 2013	N/A [1]	222,585,555	222,585,555	0.0 %	75,939,771	293.1 %

1. No assets have been placed in trust.
2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

(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.

The required schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plans (the plans as understood by the employer and plan members) and include the types of benefits provided at the valuation date and the pattern of sharing benefit costs between the City and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant actuarial methods and assumptions as of the most recent actuarial valuation date were as follows:

	Public Employee Benefit Program	City of Reno Plan
Actuarial valuation date	July 1, 2013	July 1, 2013
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level percent of projected payroll, closed
Amortization period	26 years	26 years
Asset valuation method	No assets in trust	No assets in trust
Actuarial assumptions		
Average retiree age	68.0	61.0
Investment rate of return	4%	4%
Projected salary increases	N/A [1]	4%
Inflation rate	3%	3%
Number of retirees	156	681
Subsidy trend rate	8% for in 2015 downgrading 0.5% per year to 5% in 2021	8% for in 2015 downgrading 0.5% per year to 5% in 2021

1. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

Special Ad Valorem Capital Projects Fund

For the year ended June 30, 2014, $780,708 was expended, pursuant to NRS 354.598155, on the following projects:

Public Works capital projects	$ 248,297
Parks maintenance/capital projects	3,594
ADA compliance projects	22,900
Underground storage tank monitoring	13,392
Machinery and equipment	492,397
Administration	128
	$ 780,708

(Continued)

Subsequent Events

On June 25, 2014, the City of Reno City Council passed a resolution authorizing a medium-term obligation in the principal amount of up to $300,222 to fund implementation and first-year licensing fees for the Accela Permit System related to the Interlocal Cooperative Agreement establishing the regional business license and permits program between the City of Reno, Washoe County, Washoe County Health District Department, and the City of Sparks. The ability to issue the obligation was contingent upon approval by the State of Nevada Department of Taxation, which the City received on August 4, 2014. The $300,222 medium-term obligation is payable to Washoe County at an interest rate of 1.99% over five years, with the first payment due January 30, 2016, based upon the implementation completion date. The City transferred the money to the escrow fund on October 28, 2014.

On July 7, 2014, the City of Reno redeemed in full the outstanding General Obligation Golf Course Refunding Bonds Series 2004A. The amount redeemed was $1,250,000.

On July 11, 2014, the City of Reno paid off the $153,015 balance owed on the installment purchase agreement previously entered into with PNC Equipment Finance LLC for the purchase of golf carts.

On October 22, 2014, the City of Reno City Council passed a resolution authorizing defeasance of principal outstanding on the Building Bonds, Series 2003A, along with any accrued interest due upon defeasance. The defeasance will be made in conjunction with the regularly schedule payment due December 1, 2014.

On June 2, 2015, the Irrevocable Letter of Credit No. S00056033 associated with the City of Reno Senior Lien Sales Tax Revenue Refunding Bonds, Series 2008A, in the amount of $137,422,786 will expire. The City anticipates beginning discussions with The Bank of New York Mellon in January of 2015 regarding an extension of the letter of credit.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RENO

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2014

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program						
July 1, 2009	N/A[1]	$ 11,273,820	$ 11,273,820	0.0 %	N/A[2]	N/A[2]
July 1, 2011	N/A[1]	4,548,123	4,548,123	0.0 %	$ N/A[2]	N/A[2]
July 1, 2013	N/A[1]	3,562,240	3,562,240	0.0 %	N/A[2]	N/A[2]
City of Reno Plan						
July 1, 2009	N/A[1]	225,418,530	225,418,530	0.0 %	97,817,676	230.4 %
July 1, 2011	N/A[1]	205,728,845	205,728,845	0.0 %	71,197,904	289.0 %
July 1, 2013	N/A[1]	222,585,555	222,585,555	0.0 %	75,939,771	293.1 %

1. No assets have been placed in trust.
2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

CITY OF RENO

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2014

The general fund is used to account for all financial resources not accounted for in some other fund.

CITY OF RENO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 42,609,228	$ 42,185,385	$ 42,298,694	$ 113,309
Intergovernmental SCCR (AB104) taxes	2,696,489	2,938,042	2,976,670	38,628
Intergovernmental consolidated taxes	43,021,251	46,324,543	46,470,929	146,386
Intergovernmental gaming licenses	1,564,906	1,539,148	1,521,371	(17,777)
Franchise fees	26,937,910	25,941,108	25,918,223	(22,885)
Licenses, permits and other fees	15,537,323	16,581,828	16,460,555	(121,273)
Special assessments	1,546,054	1,723,727	1,718,459	(5,268)
Grants and contributions	7,009,015	9,914,589	8,664,796	(1,249,793)
Charges for services	11,308,219	12,698,579	13,077,003	378,424
Dedicated sales taxes	269,017	271,025	233,530	(37,495)
Fines and forfeitures	2,222,503	3,026,482	3,189,344	162,862
Reimbursements and restitutions	1,314,765	1,630,259	2,003,925	373,666
Rents and royalties	167,986	205,101	212,653	7,552
Investment income	60,000	60,000	96,176	36,176
Change in fair value of investments			(27,539)	(27,539)
Miscellaneous	100,000	126,906	43,597	(83,309)
Total revenues	156,364,666	165,166,722	164,858,386	(308,336)
EXPENDITURES				
General government				
City manager				
Salaries and wages	2,529,579	2,582,881	2,418,090	164,791
Employee benefits	898,312	907,396	894,676	12,720
Services and supplies	806,892	895,067	785,363	109,704
Total city manager	4,234,783	4,385,344	4,098,129	287,215
Finance				
Salaries and wages	759,933	781,536	764,131	17,405
Employee benefits	342,737	335,253	348,695	(13,442)
Services and supplies	177,212	174,470	127,151	47,319
Total finance	1,279,882	1,291,259	1,239,977	51,282
City attorney				
Salaries and wages	2,242,449	2,308,165	2,106,457	201,708
Employee benefits	899,055	899,055	847,699	51,356
Services and supplies	274,411	324,411	190,738	133,673
Total city attorney	3,415,915	3,531,631	3,144,894	386,737
Human resources				
Salaries and wages	450,341	499,260	486,656	12,604
Employee benefits	315,077	294,216	276,852	17,364
Services and supplies	412,838	582,338	610,285	(27,947)
Total human resources	1,178,256	1,375,814	1,373,793	2,021
Civil service				
Salaries and wages	158,463	166,558	162,586	3,972
Employee benefits	64,521	64,521	66,483	(1,962)
Services and supplies	24,178	54,978	28,780	26,198
Total civil service	247,162	286,057	257,849	28,208
Communications and technology				
Salaries and wages	1,579,425	1,585,921	1,563,976	21,945
Employee benefits	631,207	624,103	663,039	(38,936)
Services and supplies	1,952,074	2,410,448	2,289,870	120,578
Total communications and technology	4,162,706	4,620,472	4,516,885	103,587

(Continued)

CITY OF RENO

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual (Continued)
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
City council				
Salaries and wages	481,942	481,942	483,044	(1,102)
Employee benefits	294,459	301,459	297,021	4,438
Services and supplies	421,084	366,914	337,159	29,755
Total city council	1,197,485	1,150,315	1,117,224	33,091
City clerk				
Salaries and wages	454,209	455,813	458,393	(2,580)
Employee benefits	205,797	203,442	210,469	(7,027)
Services and supplies	159,604	216,891	229,284	(12,393)
Total city clerk	819,610	876,146	898,146	(22,000)
Total general government	16,535,799	17,517,038	16,646,897	870,141
Judicial				
Municipal court				
Salaries and wages	3,397,172	3,530,924	3,439,860	91,064
Employee benefits	1,676,770	1,708,174	1,738,670	(30,496)
Services and supplies	797,126	1,154,704	1,058,518	96,186
Total judicial	5,871,068	6,393,802	6,237,048	156,754
Public safety				
Police				
Salaries and wages	33,094,716	33,097,188	32,880,802	216,386
Employee benefits	16,810,676	16,743,931	17,013,771	(269,840)
Services and supplies	3,326,051	5,737,227	4,894,202	843,025
Capital outlay		309,718		309,718
Total police	53,231,443	55,888,064	54,788,775	1,099,289
Fire				
Salaries and wages	24,420,283	25,538,792	25,577,785	(38,993)
Employee benefits	14,192,575	14,183,001	13,574,512	608,489
Services and supplies	2,280,069	3,037,428	2,934,560	102,868
Capital outlay	148,663	222,480	24,261	198,219
Total fire	41,041,590	42,981,701	42,111,118	870,583
Dispatch				
Salaries and wages	3,580,963	3,630,963	3,611,855	19,108
Employee benefits	1,425,303	1,366,496	1,431,503	(65,007)
Services and supplies	250,605	250,605	166,871	83,734
Total dispatch	5,256,871	5,248,064	5,210,229	37,835
Total public safety	99,529,904	104,117,829	102,110,122	2,007,707
Public works				
Various				
Salaries and wages	2,190,722	2,323,213	2,222,164	101,049
Employee benefits	978,546	1,022,099	1,003,743	18,356
Services and supplies	1,444,316	1,625,265	1,529,058	96,207
Capital outlay		391,650	381,650	10,000
Total public works	4,613,584	5,362,227	5,136,615	225,612

(Continued)

CITY OF RENO

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual (Continued)
For the Year Ended June 30, 2014

Culture and recreation				
Parks and recreation				
Salaries and wages	6,040,073	6,159,461	6,037,875	121,586
Employee benefits	1,978,102	1,948,549	2,006,728	(58,179)
Services and supplies	1,528,401	1,774,829	1,613,830	160,999
Total culture and recreation	9,546,576	9,882,839	9,658,433	224,406
Planning and community development				
Various				
Salaries and wages	1,768,054	1,805,828	1,773,532	32,296
Employee benefits	806,665	790,483	782,510	7,973
Services and supplies	481,607	573,743	493,926	79,817
Total planning and community development	3,056,326	3,170,054	3,049,968	120,086
Other				
Retired employees trust				
Employee benefits	4,350,000	4,350,000	4,167,637	182,363
Various				
Services and supplies	4,072,786	5,277,633	4,866,628	411,005
Total other	8,422,786	9,627,633	9,034,265	593,368
Debt service				
Principal payments	362,698	285,363	282,449	2,914
Interest expense and fiscal charges	16,424	11,138	11,138	
Total debt service	379,122	296,501	293,587	2,914
Total expenditures	147,955,165	156,367,923	152,166,935	4,200,988
EXCESS OF REVENUES OVER EXPENDITURES	8,409,501	8,798,799	12,691,451	3,892,652
OTHER FINANCING SOURCES (USES)				
Debt issuance proceeds		1,642,957	1,642,715	(242)
Proceeds from capital asset disposal		23,050	15,008	(8,042)
Transfers in	1,811,256	2,544,575	2,544,575	
Transfers out	(8,179,966)	(12,122,347)	(12,122,347)	
Contingencies	(1,700,000)	(1,700,000)		1,700,000
Total other financing sources (uses)	(8,068,710)	(9,611,765)	(7,920,049)	1,691,716
CHANGE IN FUND BALANCE	340,791	(812,966)	4,771,402	5,584,368
FUND BALANCE, BEGINNING OF YEAR	6,095,392	7,459,659	7,459,659	
FUND BALANCE, END OF YEAR	$ 6,436,183	$ 6,646,693	$ 12,231,061	$ 5,584,368

CITY OF RENO

MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Special revenue funds are used to account for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

Streets

Accounts for resources restricted for street improvement expenditures.

CITY OF RENO

Streets Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 13,393,039	$ 13,153,039	$ 13,294,745	$ 141,706
Motor vehicle taxes	3,139,184	4,753,654	5,090,434	336,780
Franchise fees		1,900,000	2,585,115	685,115
Licenses, permits and other fees	102,000	103,010	157,658	54,648
Grants and contributions		1,016,197	1,911,921	895,724
Fines and forfeitures	40,000		851	851
Reimbursements and restitutions	49,200		44,351	44,351
Investment income	25,000	25,000	32,736	7,736
Change in fair value of investments			(4,179)	(4,179)
Miscellaneous		84,244	66,922	(17,322)
Total revenues	16,748,423	21,035,144	23,180,554	2,145,410
EXPENDITURES				
Public works				
Various				
Salaries and wages	4,339,293	4,354,091	3,972,327	381,764
Employee benefits	2,327,588	2,258,092	1,854,539	403,553
Services and supplies	5,957,635	5,982,771	6,666,629	(683,858)
Capital outlay	2,650,000	5,601,650	3,455,439	2,146,211
Total various	15,274,516	18,196,604	15,948,934	2,247,670
Total public works	15,274,516	18,196,604	15,948,934	2,247,670
Total expenditures	15,274,516	18,196,604	15,948,934	2,247,670
EXCESS OF REVENUES OVER EXPENDITURES	1,473,907	2,838,540	7,231,620	4,393,080
OTHER FINANCING SOURCES (USES)				
Transfers in	1,900,000	647,382	647,382	
Transfers out	(6,491,182)	(6,268,604)	(6,268,604)	
Total other financing sources (uses)	(4,591,182)	(5,621,222)	(5,621,222)	
CHANGE IN FUND BALANCE	(3,117,275)	(2,782,682)	1,610,398	4,393,080
FUND BALANCE, BEGINNING OF YEAR	9,331,119	15,680,165	15,680,168	3
FUND BALANCE, END OF YEAR	$ 6,213,844	$ 12,897,483	$ 17,290,566	$ 4,393,083

Note 1. Postemployment Benefits Other Than Pensions

For the year ended June 30, 2014, no significant events occurred that would have affected and, therefore, would have changed the benefit provision, size or composition of those covered by the postemployment benefit plans, or the actuarial methods and assumptions used in the actuarial valuation reports dated July 1, 2013, July 1, 2011 and July 1, 2009.

The actuarial accrued liability and unfunded actuarial accrued liability involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These estimates are subject to continual revision.

Additional information related to postemployment benefits other than pensions can be found in Note 4 to the basic financial statements.

Note 2. Budget Information

The accompanying required supplementary schedules of revenues, expenditures and changes in fund balance presents the original adopted budget, the final amended budget, and actual fund data. The original budget was adopted on a basis consistent with financial accounting policies and with accounting principles generally accepted in the United States. All amendments made to the original budget were as prescribed by law and similarly consistent.

Additional budgetary information can be found in Note 2 to the basic financial statements.

OTHER SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

CITY OF RENO

MAJOR DEBT SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Debt service funds are used to account for the accumulation of financial resources that are restricted, committed or assigned to the repayment of debt principal and interest.

Railroad

Accounts for the accumulation of resources for payment of bonds issued for the purpose of constructing and expanding railroad grade and related beautification projects.

Downtown Events Center

Accounts for the accumulation of resources for payment of bonds issued for the purpose of acquisition of the National Bowling Stadium and construction of the Downtown Events Center and Ballroom facilities.

City of Reno

Accounts for the accumulation of resources for the payment of general obligation bonds (and debt supported by dedicated revenue sources) that are not required to be accounted for in proprietary funds.

CITY OF RENO

RAILROAD DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Room and construction taxes	$ 650,000	$ 650,000	$ 703,885	$ 53,885
Special assessments	600,000	653,796	713,144	59,348
Dedicated sales taxes	6,700,000	6,700,000	7,672,343	972,343
Fines and forfeitures		8,596	33,726	25,130
Investment income	854,500	812,230	814,451	2,221
Change in fair value of investments			1,903	1,903
Miscellaneous		7,178	102,924	95,746
Total revenues	8,804,500	8,831,800	10,042,376	1,210,576
EXPENDITURES				
Debt service				
Principal payments	2,490,000	2,480,000	2,665,000	(185,000)
Interest expense and fiscal charges	5,835,314	5,704,162	5,610,348	93,814
Administrative and other costs	1,053,500	1,053,500	1,173,625	(120,125)
Total expenditures	9,378,814	9,237,662	9,448,973	(211,311)
OTHER FINANCING SOURCES				
Transfers in		252,806	252,806	
Total other financing sources		252,806	252,806	
CHANGE IN FUND BALANCE	(574,314)	(153,056)	846,209	999,265
FUND BALANCE, BEGINNING OF YEAR	7,708,993	8,257,178	8,257,177	(1)
FUND BALANCE, END OF YEAR	$ 7,134,679	$ 8,104,122	$ 9,103,386	$ 999,264

CITY OF RENO

DOWNTOWN EVENTS CENTER DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Room and construction taxes	$ 5,146,550	$ 5,286,550	$ 5,158,134	$ (128,416)
Special assessments	260,000	260,000	317,927	57,927
Investment income	395,000	392,710	426,611	33,901
Change in fair value of investments			(261)	(261)
Miscellaneous			307	307
Total revenues	5,801,550	5,939,260	5,902,718	(36,542)
EXPENDITURES				
Debt service				
Principal payments	2,480,000	40,065,000	40,065,000	
Interest expense and fiscal charges	5,399,300	4,705,735	4,640,884	64,851
Debt issuance costs			383,869	(383,869)
Administrative and other costs		1,372,217	1,315,322	56,895
Total expenditures	7,879,300	46,142,952	46,405,075	(262,123)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,077,750)	(40,203,692)	(40,502,357)	(298,665)
OTHER FINANCING SOURCES (USES)				
Debt issuance proceeds		36,115,000	36,115,000	
Debt issuance premiums		2,545,131	2,545,132	1
Transfers in	2,027,085	7,527,085	7,527,085	
Other		(375,222)		375,222
Total other financing sources (uses)	2,027,085	45,811,994	46,187,217	375,223
CHANGE IN FUND BALANCE	(50,665)	5,608,302	5,684,860	76,558
FUND BALANCE, BEGINNING OF YEAR	2,123,447	2,165,810	2,165,811	1
FUND BALANCE, END OF YEAR	$ 2,072,782	$ 7,774,112	$ 7,850,671	$ 76,559

CITY OF RENO

CITY OF RENO DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Grants and contributions	$ 327,654	$ 327,654	$ 333,044	$ 5,390
Dedicated sales taxes	1,875,000	1,875,000	1,997,367	122,367
Reimbursements and restitutions			20,729	20,729
Rents and royalties	1,937,332	1,775,601	1,153,230	(622,371)
Investment income	3,250	3,771	6,699	2,928
Change in fair value of investments			5,353	5,353
Total revenues	4,143,236	3,982,026	3,516,422	(465,604)
EXPENDITURES				
Debt service				
Principal payments	8,512,866	57,656,888	23,917,684	33,739,204
Interest expense and fiscal charges	4,799,745	5,650,632	4,112,492	1,538,140
Debt issuance costs			613,701	(613,701)
Administrative and other costs		35,334	32,358	2,976
Total debt service	13,312,611	63,342,854	28,676,235	34,666,619
Total expenditures	13,312,611	63,342,854	28,676,235	34,666,619
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(9,169,375)	(59,360,828)	(25,159,813)	34,201,015
OTHER FINANCING SOURCES				
Debt issuance proceeds		41,274,999	41,275,000	1
Debt issuance premiums		3,054,605	3,054,605	
Payment to advance refunding bond agent			(34,897,247)	(34,897,247)
Proceeds from capital asset disposal		2,925,483	2,925,483	
Transfers in	9,051,071	8,875,869	8,875,869	
Total other financing sources	9,051,071	56,130,956	21,233,710	(34,897,246)
CHANGE IN FUND BALANCE	(118,304)	(3,229,872)	(3,926,103)	(696,231)
FUND BALANCE, BEGINNING OF YEAR	4,720,126	5,088,903	5,088,906	3
FUND BALANCE, END OF YEAR	$ 4,601,822	$ 1,859,031	$ 1,162,803	$ (696,228)

NON-MAJOR GOVERNMENTAL FUNDS

CITY OF RENO

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Non-major Governmental Funds
ASSETS				
Cash, cash equivalents and investments	$ 4,114,647	$ 5,201,444	$ 10,867,922	$ 20,184,013
Accounts receivable	220,705	2,677		223,382
Interest receivable	4,928	8,735	15,132	28,795
Taxes receivable	16,072	62,524		78,596
Special assessments receivable		3,033,686		3,033,686
Due from other governments	1,504,306	2,590,443	235,817	4,330,566
Advances to other funds		585,047		585,047
Prepaid items	12,110			12,110
Property held for sale	1,041,209			1,041,209
Notes receivable, net			1,338,388	1,338,388
Total assets	$ 6,913,977	$ 11,484,556	$ 12,457,259	$ 30,855,792
LIABILITIES				
Accounts payable and other accrued liabilities	$ 960,816	$ 8,975	$ 375,975	$ 1,345,766
Accrued salaries and benefits	4,154			4,154
Contracts payable	166,230		208,659	374,889
Due to other governments		22,481		22,481
Deposits	94,921	23,196	2,000	120,117
Unearned revenue	2,573			2,573
Due to other funds	315,500			315,500
Advances from other funds			644,686	644,686
Total liabilities	1,544,194	54,652	1,231,320	2,830,166
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, property taxes	16,072	62,524		78,596
Unavailable revenue, special assessments		2,830,754		2,830,754
Unavailable revenue, other		585,047		585,047
Total deferred inflows of resources	16,072	3,478,325		3,494,397
Total liabilities and deferred inflows of resources	1,560,266	3,532,977	1,231,320	6,324,563
FUND BALANCES				
Nonspendable				
Prepaid items	12,110			12,110
Land held for resale	1,041,209			1,041,209
Restricted for				
Debt service		7,951,579		7,951,579
Capital improvement projects	55,773		8,304,030	8,359,803
Fire, police and other public safety programs	72,714			72,714
Other	393,489			393,489
Assigned to				
Capital improvement projects			3,560,138	3,560,138
Fire, police and other public safety programs	1,397,172			1,397,172
Other	2,381,555			2,381,555
Unassigned	(311)		(638,229)	(638,540)
Total fund balances	5,353,711	7,951,579	11,225,939	24,531,229
Total liabilities, deferred inflows of resources and fund balances	$ 6,913,977	$ 11,484,556	$ 12,457,259	$ 30,855,792

CITY OF RENO

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Non-major Governmental Funds
REVENUES				
Property taxes	$	$ 3,407,593	$	$ 3,407,593
Motor vehicle taxes	128,024			128,024
Room and construction taxes	1,945,202		984,238	2,929,440
Intergovernmental capital project taxes			489,208	489,208
Licenses, permits and other fees			19,800	19,800
Special assessments		1,019,251		1,019,251
Grants and contributions	8,465,818		108,206	8,574,024
Charges for services	209,819			209,819
Downtown district room surcharge			2,144,842	2,144,842
Fines and forfeitures	705,612	42,051		747,663
Reimbursements and restitutions	321,049		800	321,849
Rents and royalties	631,526			631,526
Investment income	8,741	228,517	54,206	291,464
Change in fair value of investments	(1,158)	25	4,306	3,173
Miscellaneous	829,280	23,363	1,249	853,892
Total revenues	13,243,913	4,720,800	3,806,855	21,771,568
EXPENDITURES				
Current				
General government	384,466			384,466
Judicial	284,156			284,156
Public works			1,895,243	1,895,243
Culture and recreation			63,876	63,876
Planning and community development	9,018,529			9,018,529
Urban redevelopment	737,761			737,761
Total current	10,424,912		1,959,119	12,384,031
Capital outlay				
Public works			4,634,739	4,634,739
Culture and recreation			420,468	420,468
Total capital outlay			5,055,207	5,055,207
Debt service				
Principal payments	33,000	2,979,200		3,012,200
Interest expense and fiscal charges	3,726	1,752,907	9,579	1,766,212
Administrative and other costs		252,255		252,255
Total debt service	36,726	4,984,362	9,579	5,030,667
Total expenditures	10,461,638	4,984,362	7,023,905	22,469,905
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,782,275	(263,562)	(3,217,050)	(698,337)
OTHER FINANCING SOURCES (USES)				
Debt issuance proceeds			908,000	908,000
Proceeds from capital asset disposal			1,555,788	1,555,788
Transfers in	87,843	853,266	1,671,631	2,612,740
Transfers out	(2,900,566)	(647,382)	(285,198)	(3,833,146)
Total other financing sources (uses)	(2,812,723)	205,884	3,850,221	1,243,382
CHANGE IN FUND BALANCE	(30,448)	(57,678)	633,171	545,045
FUND BALANCE, BEGINNING OF YEAR	5,384,159	8,009,257	10,592,768	23,986,184
FUND BALANCE, END OF YEAR	$ 5,353,711	$ 7,951,579	$ 11,225,939	$ 24,531,229

SPECIAL REVENUE FUNDS

CITY OF RENO

NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Special revenue funds are used to account for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

Community Development Grants
Accounts for Community Development Block Grants, HOME Grants, and other federal grants received for the purpose of providing better housing, improved living conditions, and economic opportunities for persons of low and moderate income.

Community Assistance Center
Accounts for federal, state, and private grants and local government contributions received to fund particular programs including temporary shelters and long-term housing.

Room Tax
Accounts for a 1% tax imposed upon the gross income from room rentals, which by ordinance, must be used one-half for developing, building, maintaining, expanding or repairing parks and other recreation facilities, and one-half the improvement or betterment of the City as a final destination for visitors and tourism.

Courts
Accounts for 1) the collection of court administrative assessment fees to be used to improve the courts as required by Nevada Revised Statutes (NRS) 176.059, 2) the collection and expenditure of municipal court collection fees as allowed by NRS 176.064, and 3) the collection and expenditure construction fees as allowed by NRS 176.0611.

Drug Forfeiture
Accounts 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 United States, Department of Justice.

Redevelopment Agency
Accounts for the operations of the Redevelopment Agency, which has been included as a blended component unit with the City of Reno for financial statement purposes.

Drainage Facility Impact Fee
Accounts for the collection and distribution of impact fees for a drainage facility in South Meadows/Damonte Ranch areas.

CITY OF RENO

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014

	Community Development Grants	Community Assistance Center	Room Tax	Courts	Drug Forfeiture	Redevelopment Agency	Drainage Facility Impact Fee	Total Special Revenue Funds
ASSETS								
Cash, cash equivalents and investments	$ 195,025	$ 634,620	$ 309,957	$ 513,062	$ 1,467,629	$ 785,140	$ 209,214	$ 4,114,647
Accounts receivable		4,131				216,574		220,705
Interest receivable	47		570	783	2,257	977	294	4,928
Taxes receivable						16,072		16,072
Due from other governments	1,138,570	155,728	181,098	7,573		21,337		1,504,306
Prepaid items						12,110		12,110
Property held for sale						1,041,209		1,041,209
Total assets	$ 1,333,642	$ 794,479	$ 491,625	$ 521,418	$ 1,469,886	$ 2,093,419	$ 209,508	$ 6,913,977
LIABILITIES								
Accounts payable and other accrued liabilities	$ 455,182	$ 164,035	$ 23,520	$ 94,254	$	$ 14,006	$ 209,819	$ 960,816
Accrued salaries and benefits	3,332	822						4,154
Contracts payable	166,189	41						166,230
Deposits						94,921		94,921
Unearned revenue		623				1,950		2,573
Due to other funds	315,500							315,500
Total liabilities	940,203	165,521	23,520	94,254		110,877	209,819	1,544,194
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue, property taxes						16,072		16,072
Total deferred inflows of resources						16,072		16,072
Total liabilities and deferred inflows of resources	940,203	165,521	23,520	94,254		126,949	209,819	1,560,266

(Continued)

CITY OF RENO

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Community Development Grants	Community Assistance Center	Room Tax	Courts	Drug Forfeiture	Redevelopment Agency	Drainage Facility Impact Fee	Total Special Revenue Funds
FUND BALANCES								
Nonspendable								
Prepaid items						12,110		12,110
Land held for resale						1,041,209		1,041,209
Restricted for								
Capital improvement projects				55,773				55,773
Fire, police and other public safety programs					72,714			72,714
Other	393,439	50						393,489
Assigned to								
Fire, police and other public safety programs					1,397,172			1,397,172
Other		628,908	468,105	371,391		913,151		2,381,555
Unassigned							(311)	(311)
Total fund balances	393,439	628,958	468,105	427,164	1,469,886	1,966,470	(311)	5,353,711
Total liabilities, deferred inflows of resources and fund balances	$ 1,333,642	$ 794,479	$ 491,625	$ 521,418	$ 1,469,886	$ 2,093,419	$ 209,508	$ 6,913,977

CITY OF RENO

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	Community Development Grants	Community Assistance Center	Room Tax	Courts	Drug Forfeiture	Redevelopment Agency	Drainage Facility Impact Fee	Total Special Revenue Funds
REVENUES								
Motor vehicle taxes	$	$	$	$	$	$ 128,024	$	$ 128,024
Room and construction taxes			1,945,202					1,945,202
Grants and contributions	6,367,099	2,097,219	1,500					8,465,818
Charges for services							209,819	209,819
Fines and forfeitures					705,612			705,612
Reimbursements and restitutions	5,409	153,845		5,279		156,516		321,049
Rents and royalties		23,158				608,368		631,526
Investment income	84		956	1,222	3,498	2,688	293	8,741
Change in fair value of investments			(239)	166	(453)	(118)	(514)	(1,158)
Miscellaneous	379,311			449,969				829,280
Total revenues	6,751,903	2,274,222	1,947,419	456,636	708,657	895,478	209,598	13,243,913
EXPENDITURES								
Current								
General government			384,466					384,466
Judicial				284,156				284,156
Planning and community development	6,390,929	2,417,781					209,819	9,018,529
Urban redevelopment						737,761		737,761
Total current	6,390,929	2,417,781	384,466	284,156		737,761	209,819	10,424,912
Debt service								
Principal payments	33,000							33,000
Interest expense and fiscal charges	3,726							3,726
Total debt service	36,726							36,726
Total expenditures	6,427,655	2,417,781	384,466	284,156		737,761	209,819	10,461,638
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	324,248	(143,559)	1,562,953	172,480	708,657	157,717	(221)	2,782,275
OTHER FINANCING SOURCES (USES)								
Transfers in	87,843							87,843
Transfers out	(382,200)	(87,843)	(1,585,524)	(219,999)	(625,000)			(2,900,566)
Total other financing sources (uses)	(294,357)	(87,843)	(1,585,524)	(219,999)	(625,000)			(2,812,723)

(Continued)

CITY OF RENO

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

	Community Development Grants	Community Assistance Center	Room Tax	Courts	Drug Forfeiture	Redevelopment Agency	Drainage Facility Impact Fee	Total Special Revenue Funds
CHANGE IN FUND BALANCE	29,891	(231,402)	(22,571)	(47,519)	83,657	157,717	(221)	(30,448)
FUND BALANCE, BEGINNING OF YEAR	363,548	860,360	490,676	474,683	1,386,229	1,808,753	(90)	5,384,159
FUND BALANCE, END OF YEAR	$ 393,439	$ 628,958	$ 468,105	$ 427,164	$ 1,469,886	$ 1,966,470	$ (311)	$ 5,353,711

CITY OF RENO

COMMUNITY DEVELOPMENT GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Grants and contributions	$ 4,041,674	$ 11,143,704	$ 6,367,099	$ (4,776,605)
Reimbursements and restitutions		16,422	5,409	(11,013)
Investment income			84	84
Miscellaneous	270,000	258,600	379,311	120,711
Total revenues	4,311,674	11,418,726	6,751,903	(4,666,823)
EXPENDITURES				
Planning and community development				
Various				
Salaries and wages	233,300	277,868	182,725	95,143
Employee benefits	132,131	140,727	97,693	43,034
Services and supplies	3,544,043	10,922,393	6,110,511	4,811,882
Total planning and community development	3,909,474	11,340,988	6,390,929	4,950,059
Debt service				
Principal payments	33,000	33,000	33,000	
Interest expense and fiscal charges	3,726	3,720	3,726	(6)
Total debt service	36,726	36,720	36,726	(6)
Total expenditures	3,946,200	11,377,708	6,427,655	4,950,053
EXCESS OF REVENUES OVER EXPENDITURES	365,474	41,018	324,248	283,230
OTHER FINANCING SOURCES (USES)				
Transfers in			87,843	87,843
Transfers out	(382,200)	(382,200)	(382,200)	
Total other financing sources (uses)	(382,200)	(382,200)	(294,357)	87,843
CHANGE IN FUND BALANCE	(16,726)	(341,182)	29,891	371,073
FUND BALANCE, BEGINNING OF YEAR	198,088	451,388	363,548	(87,840)
FUND BALANCE, END OF YEAR	$ 181,362	$ 110,206	$ 393,439	$ 283,233

CITY OF RENO

COMMUNITY ASSISTANCE CENTER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Grants and contributions	$ 2,560,762	$ 2,376,753	$ 2,097,219	$ (279,534)
Reimbursements and restitutions	118,479	80,000	153,845	73,845
Rents and royalties	20,008	20,009	23,158	3,149
Total revenues	2,699,249	2,476,762	2,274,222	(202,540)
EXPENDITURES				
Planning and community development				
Various				
Salaries and wages	41,575	57,401	44,191	13,210
Employee benefits	26,904	26,904	20,003	6,901
Services and supplies	2,669,051	3,037,935	2,353,587	684,348
Capital outlay	50,000	50,000		50,000
Total expenditures	2,787,530	3,172,240	2,417,781	754,459
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(88,281)	(695,478)	(143,559)	551,919
OTHER FINANCING USES				
Transfers out			(87,843)	(87,843)
CHANGE IN FUND BALANCE	(88,281)	(695,478)	(231,402)	464,076
FUND BALANCE, BEGINNING OF YEAR	269,188	772,516	860,360	87,844
FUND BALANCE, END OF YEAR	$ 180,907	$ 77,038	$ 628,958	$ 551,920

CITY OF RENO

ROOM TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Room and construction taxes	$ 1,800,000	$ 1,800,000	$ 1,945,202	$ 145,202
Grants and contributions		1,500	1,500	
Investment income	1,511	1,511	956	(555)
Change in fair value of investments			(239)	(239)
Total revenues	1,801,511	1,803,011	1,947,419	144,408
EXPENDITURES				
General government				
City manager				
Services and supplies	367,466	708,163	384,466	323,697
Total expenditures	367,466	708,163	384,466	323,697
EXCESS OF REVENUES OVER EXPENDITURES	1,434,045	1,094,848	1,562,953	468,105
OTHER FINANCING USES				
Transfers out	(1,534,704)	(1,585,524)	(1,585,524)	
CHANGE IN FUND BALANCE	(100,659)	(490,676)	(22,571)	468,105
FUND BALANCE, BEGINNING OF YEAR	100,659	490,676	490,676	
FUND BALANCE, END OF YEAR	$	$	$ 468,105	$ 468,105

CITY OF RENO

COURTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Reimbursements and restitutions	$	$	$ 5,279	$ 5,279
Investment income	1,500	550	1,222	672
Change in fair value of investments			166	166
Miscellaneous	397,445	421,074	449,969	28,895
Total revenues	398,945	421,624	456,636	35,012
EXPENDITURES				
Judicial				
Municipal court				
Services and supplies	314,866	280,007	284,156	(4,149)
Total expenditures	314,866	280,007	284,156	(4,149)
EXCESS OF REVENUES OVER EXPENDITURES	84,079	141,617	172,480	30,863
OTHER FINANCING USES				
Transfers out	(170,000)	(219,999)	(219,999)	
CHANGE IN FUND BALANCE	(85,921)	(78,382)	(47,519)	30,863
FUND BALANCE, BEGINNING OF YEAR	412,173	474,682	474,683	1
FUND BALANCE, END OF YEAR	$ 326,252	$ 396,300	$ 427,164	$ 30,864

CITY OF RENO

DRUG FORFEITURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Fines and forfeitures	$ 100,000	$ 617,686	$ 705,612	$ 87,926
Investment income	2,000	2,000	3,498	1,498
Change in fair value of investments			(453)	(453)
Total revenues	102,000	619,686	708,657	88,971
EXPENDITURES				
Public safety				
Police				
Services and supplies	750,000	125,000		125,000
Total police	750,000	125,000		125,000
Total public safety	750,000	125,000		125,000
Total expenditures	750,000	125,000		125,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(648,000)	494,686	708,657	213,971
OTHER FINANCING USES				
Transfers out		(625,000)	(625,000)	
CHANGE IN FUND BALANCE	(648,000)	(130,314)	83,657	213,971
FUND BALANCE, BEGINNING OF YEAR	1,184,910	1,386,229	1,386,229	
FUND BALANCE, END OF YEAR	$ 536,910	$ 1,255,915	$ 1,469,886	$ 213,971

CITY OF RENO

REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Motor vehicle taxes	$ 128,024	$ 128,024	$ 128,024	$
Reimbursements and restitutions	146,500	146,500	156,516	10,016
Rents and royalties	544,000	618,515	608,368	(10,147)
Investment income	600	600	2,688	2,088
Change in fair value of investments			(118)	(118)
Total revenues	819,124	893,639	895,478	1,839
EXPENDITURES				
Urban redevelopment				
Various				
Services and supplies	900,300	820,300	737,761	82,539
Total expenditures	900,300	820,300	737,761	82,539
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(81,176)	73,339	157,717	84,378
OTHER FINANCING USES				
Other	(200,000)			
CHANGE IN FUND BALANCE	(281,176)	73,339	157,717	84,378
FUND BALANCE, BEGINNING OF YEAR	1,573,632	1,808,754	1,808,753	(1)
FUND BALANCE, END OF YEAR	$ 1,292,456	$ 1,882,093	$ 1,966,470	$ 84,377

CITY OF RENO

DRAINAGE FACILITY IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	$	$ 94,910	$ 209,819	$ 114,909
Investment income		9	293	284
Change in fair value of investments			(514)	(514)
Total revenues		94,919	209,598	114,679
EXPENDITURES				
Planning and community development				
Various				
Services and supplies		94,919	209,819	(114,900)
Total expenditures		94,919	209,819	(114,900)
CHANGE IN FUND BALANCE			(221)	(221)
FUND BALANCE, BEGINNING OF YEAR			(90)	(90)
FUND BALANCE, END OF YEAR	$	$	$ (311)	$ (311)

DEBT SERVICE FUNDS

CITY OF RENO

NON-MAJOR DEBT SERVICE FUNDS FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Debt service funds are used to account for the accumulation of financial resources that are restricted, committed or assigned to the repayment of debt principal and interest.

Special Assessment Districts
Accounts for the accumulation of resources for the payment of general obligation bonds (and debt supported by dedicated revenue sources) that are not required to be accounted for in proprietary funds.

Redevelopment Agency
Accounts for the accumulation of resources for payment of special assessment bonds.

CITY OF RENO

NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014

	Special Assessment Districts	Redevelopment Agency	Total Debt Service Funds
ASSETS			
Cash, cash equivalents and investments	$ 2,299,813	$ 2,901,631	$ 5,201,444
Accounts receivable	2,677		2,677
Interest receivable	8,221	514	8,735
Taxes receivable		62,524	62,524
Special assessments receivable	3,033,686		3,033,686
Due from other governments		2,590,443	2,590,443
Advances to other funds		585,047	585,047
Total assets	$ 5,344,397	$ 6,140,159	$ 11,484,556
LIABILITIES			
Accounts payable and other accrued liabilities	$ 8,975	$	$ 8,975
Due to other governments	62	22,419	22,481
Deposits	23,196		23,196
Total liabilities	32,233	22,419	54,652
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes		62,524	62,524
Unavailable revenue, special assessments	2,830,754		2,830,754
Unavailable revenue, other		585,047	585,047
Total deferred inflows of resources	2,830,754	647,571	3,478,325
Total liabilities and deferred inflows of resources	2,862,987	669,990	3,532,977
FUND BALANCES			
Restricted for			
Debt service	2,481,410	5,470,169	7,951,579
Total fund balances	2,481,410	5,470,169	7,951,579
Total liabilities, deferred inflows of resources and fund balances	$ 5,344,397	$ 6,140,159	$ 11,484,556

CITY OF RENO

NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	Special Assessment Districts	Redevelopment Agency	Total Debt Service Funds
REVENUES			
Property taxes	$	$ 3,407,593	$ 3,407,593
Special assessments	1,019,251		1,019,251
Fines and forfeitures	42,051		42,051
Investment income	226,681	1,836	228,517
Change in fair value of investments	697	(672)	25
Miscellaneous	23,363		23,363
Total revenues	1,312,043	3,408,757	4,720,800
EXPENDITURES			
Debt service			
Principal payments	904,200	2,075,000	2,979,200
Interest expense and fiscal charges	175,537	1,577,370	1,752,907
Administrative and other costs	63,116	189,139	252,255
Total expenditures	1,142,853	3,841,509	4,984,362
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	169,190	(432,752)	(263,562)
OTHER FINANCING SOURCES (USES)			
Transfers in		853,266	853,266
Transfers out	(647,382)		(647,382)
Total other financing sources (uses)	(647,382)	853,266	205,884
CHANGE IN FUND BALANCE	(478,192)	420,514	(57,678)
FUND BALANCE, BEGINNING OF YEAR	2,959,602	5,049,655	8,009,257
FUND BALANCE, END OF YEAR	$ 2,481,410	$ 5,470,169	$ 7,951,579

CITY OF RENO

SPECIAL ASSESSMENT DISTRICTS DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Special assessments	$ 432,836	$ 952,050	$ 1,019,251	$ 67,201
Fines and forfeitures		26,807	42,051	15,244
Investment income	167,750	219,075	226,681	7,606
Change in fair value of investments			697	697
Miscellaneous		20,824	23,363	2,539
Total revenues	600,586	1,218,756	1,312,043	93,287
EXPENDITURES				
Debt service				
Principal payments	289,938	328,202	904,200	(575,998)
Interest expense and fiscal charges	166,888	169,419	175,537	(6,118)
Administrative and other costs	729,611	746,427	63,116	683,311
Total expenditures	1,186,437	1,244,048	1,142,853	101,195
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(585,851)	(25,292)	169,190	194,482
OTHER FINANCING USES				
Transfers out		(647,382)	(647,382)	
CHANGE IN FUND BALANCE	(585,851)	(672,674)	(478,192)	194,482
FUND BALANCE, BEGINNING OF YEAR	2,299,768	2,959,592	2,959,602	10
FUND BALANCE, END OF YEAR	$ 1,713,917	$ 2,286,918	$ 2,481,410	$ 194,492

CITY OF RENO

REDEVELOPMENT AGENCY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 2,714,979	$ 2,714,979	$ 3,407,593	$ 692,614
Investment income	3,000	3,000	1,836	(1,164)
Change in fair value of investments			(672)	(672)
Total revenues	2,717,979	2,717,979	3,408,757	690,778
EXPENDITURES				
Debt service				
Principal payments	2,325,000	2,400,000	2,075,000	325,000
Interest expense and fiscal charges	1,518,197	1,432,073	1,577,370	(145,297)
Administrative and other costs		12,000	189,139	(177,139)
Total expenditures	3,843,197	3,844,073	3,841,509	2,564
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,125,218)	(1,126,094)	(432,752)	693,342
OTHER FINANCING USES				
Transfers in	850,000	853,266	853,266	
CHANGE IN FUND BALANCE	(275,218)	(272,828)	420,514	693,342
FUND BALANCE, BEGINNING OF YEAR	2,488,213	5,049,655	5,049,655	
FUND BALANCE, END OF YEAR	$ 2,212,995	$ 4,776,827	$ 5,470,169	$ 693,342

CAPITAL PROJECTS FUNDS

CITY OF RENO

NON-MAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Capital projects funds are used to account for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

Public Works
Accounts for reserves for traffic signals, safety improvements and public art maintenance and for designated capital expenditures relating to traffic improvements and other capital improvement projects that are not accounted for in other funds.

Railroad
Accounts for the acquisition and construction of railroad grade projects.

Downtown Events Center
Accounts for the construction of and improvements to the Downtown Events Center and Ballroom facilities.

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

City Bonds
Accounts for resources provided by bond issuances that are to be used for fire station construction and equipping and for the acquisition and construction of public park improvements, public safety improvements, sanitary sewer improvements, street and storm drain improvements, and various recreational facilities.

Parks
Accounts for resources provided by park land and construction tax fees that are to be used for the acquisition and improvement of parks, playgrounds, and recreational facilities.

Special Ad Valorem
Accounts for a special ad valorem tax, which can only be used for the purchase of capital assets and major repairs (not considered maintenance) of existing capital assets and the repayment of medium-term financing to fund such capital projects.

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

Room Tax Surcharge
Accounts for a $2 per night surcharge collected on room rentals in the downtown district, which must be used to improve and maintain publicly-owned tourism and entertainment facilities.

Streets
Accounts for resources provided by street project impact fees and, as applicable, proceeds from street bonds and expenditures related to street capital improvement projects.

Redevelopment Agency
Accounts for expenditures related to the construction of a Triple A ballpark and the fire station relocation projects.

CITY OF RENO

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014

	Public Works	Railroad	Downtown Events Center	Community Assistance Center	City Bonds	Parks	Special Ad Valorem
ASSETS							
Cash, cash equivalents and investments	$ 2,695,271	$ 44,526	$ 499,742	$ 6,004	$ 354,780	$ 5,479,796	$ 945,200
Interest receivable	3,458		702	7	499	7,601	1,535
Due from other governments							19,181
Notes receivable, net	1,338,388						
Total assets	$ 4,037,117	$ 44,526	$ 500,444	$ 6,011	$ 355,279	$ 5,487,397	$ 965,916
LIABILITIES							
Accounts payable and other accrued liabilities	$ 14,680	$	$	$	$ 1,600	$ 28,121	$ 7,897
Contracts payable	7,991					197,062	
Deposits							2,000
Advances from other funds				644,686			
Total liabilities	22,671			644,686	1,600	225,183	9,897
FUND BALANCES							
Restricted for							
Capital improvement projects	498,834		500,444		353,679	5,262,214	956,019
Assigned to							
Capital improvement projects	3,515,612	44,526					
Unassigned				(638,675)			
Total fund balances	4,014,446	44,526	500,444	(638,675)	353,679	5,262,214	956,019
Total liabilities and fund balances	$ 4,037,117	$ 44,526	$ 500,444	$ 6,011	$ 355,279	$ 5,487,397	$ 965,916

(Continued)

CITY OF RENO

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Room Tax Surcharge	Streets	Total Capital Projects Funds
ASSETS			
Cash, cash equivalents and investments	$ 528,849	$ 313,754	$ 10,867,922
Interest receivable	953	377	15,132
Due from other governments	216,636		235,817
Notes receivable, net			1,338,388
Total assets	$ 746,438	$ 314,131	$ 12,457,259
LIABILITIES			
Accounts payable and other accrued liabilities	$ 9,992	$ 313,685	$ 375,975
Contracts payable	3,606		208,659
Deposits			2,000
Advances from other funds			644,686
Total liabilities	13,598	313,685	1,231,320
FUND BALANCES			
Restricted for			
Capital improvement projects	732,840		8,304,030
Assigned to			
Capital improvement projects			3,560,138
Unassigned		446	(638,229)
Total fund balances	732,840	446	11,225,939
Total liabilities and fund balances	$ 746,438	$ 314,131	$ 12,457,259

CITY OF RENO

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	Public Works	Railroad	Downtown Events Center	Community Assistance Center	City Bonds	Parks	Special Ad Valorem
REVENUES							
Room and construction taxes	$	$	$	$	$	$ 984,238	$
Intergovernmental capital project taxes							489,208
Licenses, permits and other fees	19,800						
Grants and contributions	41,175		24,623		800	31,500	10,108
Downtown district room surcharge							
Reimbursements and restitutions					800		
Investment income	6,626		845	31,016	643	11,422	1,938
Change in fair value of investments	3,585		(114)	366	155	(3,010)	1,922
Miscellaneous						1,249	
Total revenues	71,186		25,354	31,382	2,398	1,025,399	503,176
EXPENDITURES							
Current							
Public works	565,031	1,194			21,492		644,420
Culture and recreation						63,876	
Total current	565,031	1,194			21,492	63,876	644,420
Capital outlay							
Public works	3,099,708				43,021		136,287
Culture and recreation						420,468	
Total capital outlay	3,099,708				43,021	420,468	136,287
Debt service							
Interest expense and fiscal charges				9,579			
Total debt service				9,579			
Total expenditures	3,664,739	1,194		9,579	64,513	484,344	780,707
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,593,553)	(1,194)	25,354	21,803	(62,115)	541,055	(277,531)

(Continued)

CITY OF RENO

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

	Public Works	Railroad	Downtown Events Center	Community Assistance Center	City Bonds	Parks	Special Ad Valorem
OTHER FINANCING SOURCES (USES)							
Debt issuance proceeds	908,000						
Proceeds from capital asset disposal	1,475,000			80,788			
Transfers in	1,550,000			114,131	7,500		
Transfers out	(29,126)	(252,806)					
Total other financing sources (uses)	3,903,874	(252,806)		194,919	7,500		
CHANGE IN FUND BALANCE	310,321	(254,000)	25,354	216,722	(54,615)	541,055	(277,531)
FUND BALANCE, BEGINNING OF YEAR	3,704,125	298,526	475,090	(855,397)	408,294	4,721,159	1,233,550
FUND BALANCE, END OF YEAR	$ 4,014,446	$ 44,526	$ 500,444	$ (638,675)	$ 353,679	$ 5,262,214	$ 956,019

(Continued)

CITY OF RENO

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

	Redevelopment Agency Extraordinary Maintenance	Room Tax Surcharge	Streets	Redevelopment Agency	Total Capital Projects Funds
REVENUES					
Room and construction taxes	$	$	$	$	$ 984,238
Intergovernmental capital project taxes					489,208
Licenses, permits and other fees					19,800
Grants and contributions					108,206
Downtown district room surcharge		2,144,842			2,144,842
Reimbursements and restitutions					800
Investment income		1,249	467		54,206
Change in fair value of investments		(1,377)	2,779		4,306
Miscellaneous					1,249
Total revenues		2,144,714	3,246		3,806,855
EXPENDITURES					
Current					
Public works		662,087	1,019		1,895,243
Culture and recreation					63,876
Total current		662,087	1,019		1,959,119
Capital outlay					
Public works		1,268,961	86,762		4,634,739
Culture and recreation					420,468
Total capital outlay		1,268,961	86,762		5,055,207
Debt service					
Interest expense and fiscal charges					9,579
Total debt service					9,579
Total expenditures		1,931,048	87,781		7,023,905
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		213,666	(84,535)		(3,217,050)

(Continued)

CITY OF RENO

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

	Redevelopment Agency Extraordinary Maintenance	Room Tax Surcharge	Streets	Redevelopment Agency	Total Capital Projects Funds
OTHER FINANCING SOURCES (USES)					
Debt issuance proceeds					908,000
Proceeds from capital asset disposal					1,555,788
Transfers in					1,671,631
Transfers out				(3,266)	(285,198)
Total other financing sources (uses)				(3,266)	3,850,221
CHANGE IN FUND BALANCE		213,666	(84,535)	(3,266)	633,171
FUND BALANCE, BEGINNING OF YEAR		519,174	84,981	3,266	10,592,768
FUND BALANCE, END OF YEAR	$	$ 732,840	$ 446	$	$ 11,225,939

CITY OF RENO

PUBLIC WORKS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Licenses, permits and other fees	$	$ 16,200	$ 19,800	$ 3,600
Grants and contributions		30,309	41,175	10,866
Investment income	1,450	3,805	6,626	2,821
Change in fair value of investments			3,585	3,585
Total revenues	1,450	50,314	71,186	20,872
EXPENDITURES				
Public works				
Various				
Services and supplies	165,330	269,653	565,031	(295,378)
Capital outlay	1,981,590	5,560,834	3,099,708	2,461,126
Total expenditures	2,146,920	5,830,487	3,664,739	2,165,748
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,145,470)	(5,780,173)	(3,593,553)	2,186,620
OTHER FINANCING SOURCES (USES)				
Debt issuance proceeds		908,000	908,000	
Proceeds from capital asset disposal		1,475,000	1,475,000	
Transfers in	1,550,000	1,550,000	1,550,000	
Transfers out		(29,126)	(29,126)	
Total other financing sources (uses)	1,550,000	3,903,874	3,903,874	
CHANGE IN FUND BALANCE	(595,470)	(1,876,299)	310,321	2,186,620
FUND BALANCE, BEGINNING OF YEAR	849,298	3,704,125	3,704,125	
FUND BALANCE, END OF YEAR	$ 253,828	$ 1,827,826	$ 4,014,446	$ 2,186,620

CITY OF RENO

RAILROAD CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
Public works				
Various				
Services and supplies	$	$ 165	$ 1,194	$ (1,029)
Capital outlay		45,556		45,556
Total expenditures		45,721	1,194	44,527
EXCESS OF REVENUES UNDER EXPENDITURES		(45,721)	(1,194)	44,527
OTHER FINANCING USES				
Transfers out		(252,806)	(252,806)	
CHANGE IN FUND BALANCE		(298,527)	(254,000)	44,527
FUND BALANCE, BEGINNING OF YEAR		298,527	298,526	(1)
FUND BALANCE, END OF YEAR	$	$	$ 44,526	$ 44,526

CITY OF RENO

Downtown Events Center Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Grants and contributions	$	$ 24,623	$ 24,623	$
Investment income	250	500	845	345
Change in fair value of investments			(114)	(114)
Total revenues	250	25,123	25,354	231
EXPENDITURES				
Public works				
Various				
Services and supplies		500,213		500,213
Capital outlay	477,078			
Total expenditures	477,078	500,213		500,213
CHANGE IN FUND BALANCE	(476,828)	(475,090)	25,354	500,444
FUND BALANCE, BEGINNING OF YEAR	476,828	475,090	475,090	
FUND BALANCE, END OF YEAR	$	$	$ 500,444	$ 500,444

CITY OF RENO

COMMUNITY ASSISTANCE CENTER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Investment income	$	$ 31,009	$ 31,016	$ 7
Change in fair value of investments			366	366
Total revenues		31,009	31,382	373
EXPENDITURES				
Debt service				
Interest expense and fiscal charges			9,579	(9,579)
Total expenditures			9,579	(9,579)
EXCESS OF REVENUES OVER EXPENDITURES		31,009	21,803	(9,206)
OTHER FINANCING SOURCES				
Proceeds from capital asset disposal		80,788	80,788	
Transfers in		759,131	114,131	(645,000)
CHANGE IN FUND BALANCE		870,928	216,722	(654,206)
FUND BALANCE, BEGINNING OF YEAR		(855,397)	(855,397)	
FUND BALANCE, END OF YEAR	$	$ 15,531	$ (638,675)	$ (654,206)

CITY OF RENO

CITY BONDS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Grants and contributions	$	$	$ 800	$ 800
Reimbursements and restitutions			800	800
Investment income		410	643	233
Change in fair value of investments			155	155
Total revenues		410	2,398	1,988
EXPENDITURES				
Public works				
Various				
Services and supplies			21,492	(21,492)
Capital outlay		416,205	43,021	373,184
Total expenditures		416,205	64,513	351,692
DEFICIENCY OF REVENUES UNDER EXPENDITURES		(415,795)	(62,115)	353,680
OTHER FINANCING SOURCES				
Transfers in		7,500	7,500	
CHANGE IN FUND BALANCE		(408,295)	(54,615)	353,680
FUND BALANCE, BEGINNING OF YEAR		408,295	408,294	(1)
FUND BALANCE, END OF YEAR	$	$	$ 353,679	$ 353,679

CITY OF RENO

PARKS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Room and construction taxes	$ 340,000	$ 720,000	$ 984,238	$ 264,238
Grants and contributions		32,841	31,500	(1,341)
Investment income	6,215	5,403	11,422	6,019
Change in fair value of investments			(3,010)	(3,010)
Miscellaneous			1,249	1,249
Total revenues	346,215	758,244	1,025,399	267,155
EXPENDITURES				
Culture and recreation				
Parks and recreation				
Services and supplies			63,876	(63,876)
Capital outlay	831,499	752,932	420,468	332,464
Total expenditures	831,499	752,932	484,344	268,588
CHANGE IN FUND BALANCE	(485,284)	5,312	541,055	535,743
FUND BALANCE, BEGINNING OF YEAR	3,806,001	4,721,155	4,721,159	4
FUND BALANCE, END OF YEAR	$ 3,320,717	$ 4,726,467	$ 5,262,214	$ 535,747

CITY OF RENO

SPECIAL AD VALOREM CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental capital project taxes	$ 500,000	$ 488,000	$ 489,208	$ 1,208
Grants and contributions			10,108	10,108
Investment income	2,500	1,300	1,938	638
Change in fair value of investments			1,922	1,922
Total revenues	502,500	489,300	503,176	13,876
EXPENDITURES				
Public works				
Various				
Services and supplies	11,000	11,000	644,420	(633,420)
Capital outlay	491,500	1,711,851	136,287	1,575,564
Total expenditures	502,500	1,722,851	780,707	942,144
CHANGE IN FUND BALANCE		(1,233,551)	(277,531)	956,020
FUND BALANCE, BEGINNING OF YEAR		1,233,551	1,233,550	(1)
FUND BALANCE, END OF YEAR	$	$	$ 956,019	$ 956,019

CITY OF RENO

ROOM TAX SURCHARGE CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Downtown district room surcharge	$ 2,000,000	$ 2,000,000	$ 2,144,842	$ 144,842
Investment income	2,000	800	1,249	449
Change in fair value of investments			(1,377)	(1,377)
Total revenues	2,002,000	2,000,800	2,144,714	143,914
EXPENDITURES				
Public works				
Various				
Services and supplies	2,000	2,000	662,087	(660,087)
Capital outlay	2,000,000	2,517,974	1,268,961	1,249,013
Total expenditures	2,002,000	2,519,974	1,931,048	588,926
CHANGE IN FUND BALANCE		(519,174)	213,666	732,840
FUND BALANCE, BEGINNING OF YEAR		519,174	519,174	
FUND BALANCE, END OF YEAR	$	$	$ 732,840	$ 732,840

CITY OF RENO

STREETS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Investment income	$ 50	$ 2,899	$ 467	$ (2,432)
Change in fair value of investments			2,779	2,779
Total revenues	50	2,899	3,246	347
EXPENDITURES				
Public works				
Various				
Services and supplies		1,000	1,019	(19)
Capital outlay	130	86,880	86,762	118
Total expenditures	130	87,880	87,781	99
CHANGE IN FUND BALANCE	(80)	(84,981)	(84,535)	446
FUND BALANCE, BEGINNING OF YEAR	822	84,981	84,981	
FUND BALANCE, END OF YEAR	$ 742	$	$ 446	$ 446

CITY OF RENO

REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
OTHER FINANCING SOURCES (USES)				
Transfers out	$	$ (3,266)	$ (3,266)	$
Total other financing sources (uses)		(3,266)	(3,266)	
CHANGE IN FUND BALANCE		(3,266)	(3,266)	
FUND BALANCE, BEGINNING OF YEAR	31,046,731	3,266	3,266	
FUND BALANCE, END OF YEAR	$ 31,046,731	$	$	$

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUNDS

CITY OF RENO

MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Enterprise funds are used to account for activities for which a user fee is charged for goods or services.

Sanitary Sewer
Accounts for the provision of sewer services and connection fee revenues restricted for capital projects.

CITY OF RENO

SANITARY SEWER ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services	$ 52,683,895	$ 52,841,895	$ 52,417,492	$ (424,403)
Licenses and permits	305,000	350,000	344,594	(5,406)
Fines and forfeitures	1,600,000	1,601,000	2,406,255	805,255
Miscellaneous			2,199,772	2,199,772
Total operating revenues	54,588,895	54,792,895	57,368,113	2,575,218
OPERATING EXPENSES				
Salaries and wages	5,425,096	5,511,927	5,183,939	327,988
Employee benefits	2,915,714	2,836,707	2,763,336	73,371
Services and supplies	11,296,458	11,536,841	10,796,815	740,026
Joint sewer plant	13,905,000	13,905,000	12,274,592	1,630,408
Depreciation and amortization	10,000,000	10,000,000	9,170,596	829,404
Total operating expenses	43,542,268	43,790,475	40,189,278	3,601,197
Operating income	11,046,627	11,002,420	17,178,835	6,176,415
NONOPERATING REVENUES (EXPENSES)				
Federal grants		40,500	146,674	106,174
Sewer connection charges		1,649,513	5,301,535	3,652,022
Investment income	80,000	89,578	98,745	9,167
Change in fair value of investments			(6,542)	(6,542)
Interest and fiscal charges	(2,135,670)	(2,135,670)	(2,102,477)	33,193
Truckee Meadows Water Reclamation Facility	(4,600,000)	(4,600,000)	(3,929,578)	670,422
Total nonoperating revenues (expenses)	(6,655,670)	(4,956,079)	(491,643)	4,464,436
Income before capital contributions and transfers	4,390,957	6,046,341	16,687,192	10,640,851
CAPITAL CONTRIBUTIONS				
Capital contributions			5,680,386	5,680,386
TRANSFERS				
Transfers in		1,268,759		(1,268,759)
Transfers out	(112,000)	(1,383,259)	(114,500)	1,268,759
CHANGE IN NET POSITION	$ 4,278,957	$ 5,931,841	22,253,078	$ 16,321,237
NET POSITION, BEGINNING OF YEAR			355,921,624	
NET POSITION, END OF YEAR			$ 378,174,702	

NON-MAJOR ENTERPRISE FUNDS

CITY OF RENO

NON-MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Enterprise funds are used to account for activities for which a user fee is charged for goods or services.

Building Permit
Accounts for resources provided by and the operations of a golf course. which is owned and operated by the City of Reno.

CITY OF RENO

BUILDING PERMIT ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services	$ 4,800,000	$ 6,472,639	$ 7,275,680	$ 803,041
Miscellaneous			40	40
Total operating revenues	4,800,000	6,472,639	7,275,720	803,081
OPERATING EXPENSES				
Salaries and wages	1,687,945	1,857,964	1,840,962	17,002
Employee benefits	911,359	951,843	903,414	48,429
Services and supplies	970,535	1,305,112	1,069,025	236,087
Depreciation and amortization	21,000	21,000	11,331	9,669
Total operating expenses	3,590,839	4,135,919	3,824,732	311,187
Operating income	1,209,161	2,336,720	3,450,988	1,114,268
NONOPERATING REVENUES (EXPENSES)				
Investment income	2,000	5,040	15,270	10,230
Change in fair value of investments			(12,055)	(12,055)
Gain (loss) on capital asset disposition		(284,265)	(264,265)	20,000
Total nonoperating revenues (expenses)	2,000	(279,225)	(261,050)	18,175
Income before capital contributions and transfers	1,211,161	2,057,495	3,189,938	1,132,443
CAPITAL CONTRIBUTIONS				
Capital contributions			(20,787)	(20,787)
TRANSFERS				
Transfers out		(2,500)	(2,500)	
CHANGE IN NET POSITION	$ 1,211,161	$ 2,054,995	3,166,651	$ 1,111,656
NET POSITION, BEGINNING OF YEAR			3,171,384	
NET POSITION, END OF YEAR			$ 6,338,035	

INTERNAL SERVICE FUNDS

CITY OF RENO

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other department or agencies of the government and to other governmental units, on a cost reimbursement basis.

Motor Vehicle
Accounts for the acquisition of motor vehicles and the operations of the motor vehicle maintenance facility.

Risk Retention
Accounts for the operations of the self-funded general insurance program.

Self-Funded Medical Plan
Accounts for the operations of the self-funded group health and accident insurance program.

Self-Funded Workers Compensation
Accounts for the operations of the self-funded workers compensation program.

CITY OF RENO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	Motor Vehicle	Risk Retention	Self-Funded Medical Plan	Self-Funded Workers Compensation	Total Internal Service Funds
ASSETS					
Current assets					
Cash, cash equivalents and investments	$ 2,328,190	$ 5,213,485	$ 11,291,571	$ 1,754,181	$ 20,587,427
Accounts receivable	33,050		643,635	264,372	941,057
Interest receivable	3,118	7,289	15,773	2,374	28,554
Due from other governments				135,569	135,569
Inventories	178,304				178,304
Prepaid items		37,842	5,000	38,276	81,118
Total current assets	2,542,662	5,258,616	11,955,979	2,194,772	21,952,029
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Machinery, equipment and software	5,325,336				5,325,336
Total noncurrent assets	5,325,336				5,325,336
Total assets	7,867,998	5,258,616	11,955,979	2,194,772	27,277,365
LIABILITIES					
Current liabilities					
Accounts payable and other accrued liabilities	136,431	4,729	506	338	142,004
Accrued salaries and benefits	10,915	2,214		1,617	14,746
Compensated absences	68,848	13,292		7,115	89,255
Self-insurance liability		585,141	2,085,270	4,588,949	7,259,360
Total current liabilities	216,194	605,376	2,085,776	4,598,019	7,505,365
Noncurrent liabilities					
Compensated absences	55,831	20,629		9,862	86,322
Postemployment benefits other than pensions	360,755	57,709		55,921	474,385
Self-insurance liability		2,657,486	645,471	35,799,875	39,102,832
Total noncurrent liabilities	416,586	2,735,824	645,471	35,865,658	39,663,539
Total liabilities	632,780	3,341,200	2,731,247	40,463,677	47,168,904
NET POSITION					
Net investment in capital assets	5,325,336				5,325,336
Restricted					
Self-insurance liabilities			9,224,732		9,224,732
Unrestricted	1,909,882	1,917,416		(38,268,905)	(34,441,607)
Total net position	$ 7,235,218	$ 1,917,416	$ 9,224,732	$ (38,268,905)	$ (19,891,539)

CITY OF RENO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Motor Vehicle	Risk Retention	Self-Funded Medical Plan	Self-Funded Workers Compensation	Total Internal Service Funds
OPERATING REVENUES					
Charges for services	$ 5,060,995	$ 1,639,461	$ 19,715,711	$ 5,917,304	$ 32,333,471
Miscellaneous	8,260	760	733,693	828,017	1,570,730
Total operating revenues	5,069,255	1,640,221	20,449,404	6,745,321	33,904,201
OPERATING EXPENSES					
Salaries and wages	674,346	143,615		109,598	927,559
Employee benefits	345,552	74,728		54,810	475,090
Services and supplies	2,935,855	(577,406)	24,273,534	6,415,887	33,047,870
Depreciation and amortization	1,820,731				1,820,731
Total operating expenses	5,776,484	(359,063)	24,273,534	6,580,295	36,271,250
Operating income (loss)	(707,229)	1,999,284	(3,824,130)	165,026	(2,367,049)
NONOPERATING REVENUES (EXPENSES)					
Investment income	6,815	9,465	26,198	8,639	51,117
Change in fair value of investments	472	(251)	16,848	(3,130)	13,939
Gain (loss) on capital asset disposition	37,919				37,919
Total nonoperating revenues (expenses)	45,206	9,214	43,046	5,509	102,975
Income (loss) before capital contributions and transfers	(662,023)	2,008,498	(3,781,084)	170,535	(2,264,074)
CAPITAL CONTRIBUTIONS					
Capital contributions	519,823				519,823
TRANSFERS					
Transfers out	(97,097)	(22,263)			(119,360)
CHANGE IN NET POSITION	(239,297)	1,986,235	(3,781,084)	170,535	(1,863,611)
NET POSITION, BEGINNING OF YEAR	7,474,515	(68,819)	13,005,816	(38,439,440)	(18,027,928)
NET POSITION, END OF YEAR	$ 7,235,218	$ 1,917,416	$ 9,224,732	$ (38,268,905)	$ (19,891,539)

CITY OF RENO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Motor Vehicle	Risk Retention	Self-Funded Medical Plan	Self-Funded Workers Compensation	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 4,986,350	$ 1,652,102	$ 19,074,788	$ 5,652,932	$ 31,366,172
Cash received from interfund services	104,009				104,009
Cash received from other sources	8,857	760	733,693	791,801	1,535,111
Cash payments for goods and services	(2,554,193)	(780,832)	(23,837,214)	(5,071,582)	(32,243,821)
Cash payments for employee services	(871,511)	(182,569)		(138,783)	(1,192,863)
Cash payments for interfund good and services	(516,270)	(517,542)	(412,084)	(152,208)	(1,598,104)
Cash payments for interfund employee benefits	(113,932)	(20,210)		(7,799)	(141,941)
Net cash provided by (used in) operating activities	1,043,310	151,709	(4,440,817)	1,074,361	(2,171,437)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out	(97,097)	(22,263)			(119,360)
Net cash used in noncapital financing activities	(97,097)	(22,263)			(119,360)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,048,883)				(1,048,883)
Proceeds received from disposal of capital assets	60,253				60,253
Net cash used in capital financing activities	(988,630)				(988,630)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	7,938	11,372	39,545	7,644	66,499
Change in fair value of investments	472	(251)	16,848	(3,130)	13,939
Net cash provided by investing activities	8,410	11,121	56,393	4,514	80,438
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(34,007)	140,567	(4,384,424)	1,078,875	(3,198,989)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,362,197	5,072,918	15,675,995	675,306	23,786,416
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,328,190	$ 5,213,485	$ 11,291,571	$ 1,754,181	$ 20,587,427
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	$ (707,229)	$ 1,999,284	$ (3,824,130)	$ 165,026	$ (2,367,049)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	1,820,731				1,820,731
(Increase) decrease in operating assets					
Accounts receivable	29,364	12,641	(640,923)	(264,372)	(863,290)
Due from other governments	597			(36,216)	(35,619)
Inventories	(5,896)				(5,896)
Prepaid items		(16,815)		(494)	(17,309)
Increase (decrease) in operating liabilities					
Accounts payable and accrued expenses	(128,712)	3,873	(1,247)	(8,164)	(134,250)
Accrued salaries and benefits	3,631	772		513	4,916
Compensated absences	(9,270)	5,595		10,295	6,620
Self-insurance liability		(1,862,838)	25,483	1,200,755	(636,600)
Postemployment benefits other than pensions	40,094	9,197		7,018	56,309
Total adjustments	1,750,539	(1,847,575)	(616,687)	909,335	195,612
Net cash provided by (used in) operating activities	$ 1,043,310	$ 151,709	$ (4,440,817)	$ 1,074,361	$ (2,171,437)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	$ 519,823	$	$	$	$ 519,823

CITY OF RENO

MOTOR VEHICLE ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services	$ 5,047,081	$ 5,055,599	$ 5,060,995	$ 5,396
Miscellaneous		5,794	8,260	2,466
Total operating revenues	5,047,081	5,061,393	5,069,255	7,862
OPERATING EXPENSES				
Salaries and wages	723,485	723,485	674,346	49,139
Employee benefits	399,199	387,694	345,552	42,142
Services and supplies	3,334,217	2,927,517	2,935,855	(8,338)
Depreciation and amortization	2,000,000	2,000,000	1,820,731	179,269
Total operating expenses	6,456,901	6,038,696	5,776,484	262,212
Operating loss	(1,409,820)	(977,303)	(707,229)	270,074
NONOPERATING REVENUES				
Investment income	4,000	4,000	6,815	2,815
Change in fair value of investments			472	472
Gain (loss) on capital asset disposition	20,000	20,236	37,919	17,683
Other		766		(766)
Total nonoperating revenues	24,000	25,002	45,206	20,204
Loss before capital contributions and transfers	(1,385,820)	(952,301)	(662,023)	290,278
CAPITAL CONTRIBUTIONS				
Capital contributions			519,823	519,823
TRANSFERS				
Transfers out	(97,097)	(97,097)	(97,097)	
CHANGE IN NET POSITION	$ (1,482,917)	$ (1,049,398)	(239,297)	$ 810,101
NET POSITION, BEGINNING OF YEAR			7,474,515	
NET POSITION, END OF YEAR			$ 7,235,218	

CITY OF RENO

RISK RETENTION ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services	$ 1,639,461	$ 2,019,461	$ 1,639,461	$ (380,000)
Miscellaneous			760	760
Total operating revenues	1,639,461	2,019,461	1,640,221	(379,240)
OPERATING EXPENSES				
Salaries and wages	134,771	134,771	143,615	(8,844)
Employee benefits	69,542	69,542	74,728	(5,186)
Services and supplies	2,377,422	1,212,250	(577,406)	1,789,656
Total operating expenses	2,581,735	1,416,563	(359,063)	1,775,626
Operating income (loss)	(942,274)	602,898	1,999,284	1,396,386
NONOPERATING REVENUES				
Investment income	10,000	10,000	9,465	(535)
Change in fair value of investments			(251)	(251)
Total nonoperating revenues	10,000	10,000	9,214	(786)
Income (loss) before transfers	(932,274)	612,898	2,008,498	1,395,600
TRANSFERS				
Transfers out	(22,283)	(22,263)	(22,263)	
CHANGE IN NET POSITION	$ (954,557)	$ 590,635	1,986,235	$ 1,395,600
NET POSITION, BEGINNING OF YEAR			(68,819)	
NET POSITION, END OF YEAR			$ 1,917,416	

CITY OF RENO

SELF-FUNDED MEDICAL PLAN ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services	$ 19,131,667	$ 19,245,000	$ 19,715,711	$ 470,711
Miscellaneous	120,000	209,539	733,693	524,154
Total operating revenues	19,251,667	19,454,539	20,449,404	994,865
OPERATING EXPENSES				
Services and supplies	23,602,084	24,433,092	24,273,534	159,558
Total operating expenses	23,602,084	24,433,092	24,273,534	159,558
Operating loss	(4,350,417)	(4,978,553)	(3,824,130)	1,154,423
NONOPERATING REVENUES				
Investment income	25,000	22,750	26,198	3,448
Change in fair value of investments			16,848	16,848
Other		28,883		(28,883)
Total nonoperating revenues	25,000	51,633	43,046	(8,587)
Loss before transfers	(4,325,417)	(4,926,920)	(3,781,084)	1,145,836
TRANSFERS				
Transfers in		2,044,000		(2,044,000)
Transfers out		(2,044,000)		2,044,000
Total transfers				
CHANGE IN NET POSITION	$ (4,325,417)	$ (4,926,920)	(3,781,084)	$ 1,145,836
NET POSITION, BEGINNING OF YEAR			13,005,816	
NET POSITION, END OF YEAR			$ 9,224,732	

CITY OF RENO

SELF-FUNDED WORKERS COMPENSATION ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services	$ 6,503,571	$ 5,969,873	$ 5,917,304	$ (52,569)
Miscellaneous		332,000	828,017	496,017
Total operating revenues	6,503,571	6,301,873	6,745,321	443,448
OPERATING EXPENSES				
Salaries and wages	99,006	99,006	109,598	(10,592)
Employee benefits	51,158	51,158	54,810	(3,652)
Services and supplies	6,209,208	6,674,358	6,415,887	258,471
Total operating expenses	6,359,372	6,824,522	6,580,295	244,227
Operating income (loss)	144,199	(522,649)	165,026	687,675
NONOPERATING REVENUES				
Investment income	10,000	10,000	8,639	(1,361)
Change in fair value of investments			(3,130)	(3,130)
Other		368,073		(368,073)
Total nonoperating revenues	10,000	378,073	5,509	(372,564)
CHANGE IN NET POSITION	$ 154,199	$ (144,576)	170,535	$ 315,111
NET POSITION, BEGINNING OF YEAR			(38,439,440)	
NET POSITION, END OF YEAR			$ (38,268,905)	

FIDUCIARY FUNDS

CITY OF RENO

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Agency funds are used to account for assets held as an agent for individuals, private organizations, other governments or other funds.

Deposits
Accounts for refundable performance and other deposits.

Special Assessments District
Accounts for the collection and disbursement of special assessments from property owners for Sierra Executive Center, the Somersett Parkway development, and the Double R Boulevard development.

CITY OF RENO

AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2014

	Deposits	Special Assessments District	Total Agency Funds
ASSETS			
Cash, cash equivalents and investments	$ 3,598,120	$ 4,413,433	$ 8,011,553
Accounts receivable		1,822	1,822
Interest receivable	5,073		5,073
Special assessments receivable		1,153,065	1,153,065
Due from other governments		45,369	45,369
Total assets	$ 3,603,193	$ 5,613,689	$ 9,216,882
LIABILITIES			
Accounts payable and other accrued liabilities	$ 56,278	$ 3,130	$ 59,408
Deposits	3,546,915	52,126	3,599,041
Due to developers, employees and others		5,558,433	5,558,433
Total liabilities	$ 3,603,193	$ 5,613,689	$ 9,216,882

CITY OF RENO

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	$ 4,909,485	$ 989,759	$ 2,301,124	$ 3,598,120
Accounts receivable		5,073	8,692	
Interest receivable	8,692			5,073
Total assets	$ 4,918,177	$ 994,832	$ 2,309,816	$ 3,603,193
LIABILITIES				
Accounts payable and other accrued liabilities	$ 36,467	$ 25,938	$ 6,127	$ 56,278
Deposits	4,881,710	862,156	2,196,951	3,546,915
Total liabilities	$ 4,918,177	$ 888,094	$ 2,203,078	$ 3,603,193
SPECIAL ASSESSMENTS DISTRICT				
ASSETS				
Cash, cash equivalents and investments	$ 6,528,924	$ 2,917,863	$ 5,033,354	$ 4,413,433
Accounts receivable	36,132	1,822	36,132	1,822
Interest receivable	3,786		3,786	
Taxes receivable		95,732	10,989	
Special assessments receivable	1,068,322	45,369	23,447	1,153,065
Due from other governments	23,447			45,369
Total assets	$ 7,660,611	$ 3,060,786	$ 5,107,708	$ 5,613,689
LIABILITIES				
Accounts payable and other accrued liabilities	$ 4,117	$ 3,130	$ 4,117	$ 3,130
Deposits	54,175	52,126	54,175	52,126
Due to developers, employees and others	7,602,319	7,096,114	9,140,000	5,558,433
Total liabilities	$ 7,660,611	$ 7,151,370	$ 9,198,292	$ 5,613,689
TOTAL AGENCY FUNDS				
ASSETS				
Cash, cash equivalents and investments	$ 11,438,409	$ 3,907,622	$ 7,334,478	$ 8,011,553
Accounts receivable	36,132	6,895	44,824	1,822
Interest receivable	12,478		3,786	5,073
Taxes receivable		95,732	10,989	
Special assessments receivable	1,068,322	45,369	23,447	1,153,065
Due from other governments	23,447			45,369
Total assets	$ 12,578,788	$ 4,055,618	$ 7,417,524	$ 9,216,882
LIABILITIES				
Accounts payable and other accrued liabilities	$ 40,584	$ 29,068	$ 10,244	$ 59,408
Deposits	4,935,885	914,282	2,251,126	3,599,041
Due to developers, employees and others	7,602,319	7,096,114	9,140,000	5,558,433
Total liabilities	$ 12,578,788	$ 8,039,464	$ 11,401,370	$ 9,216,882

P B T K
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

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

Honorable Mayor and Members of the City Council
City of Reno, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Reno (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 24, 2014.

Internal Control over Financial Reporting. In planning and performing our audit of the basic financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2014 - 001 that we consider to be a significant deficiency.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts, including whether the funds established by the City, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. 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*.

The City's Response to Findings. The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

We noted certain matters that we reported to management of the City in a separate letter dated November 24, 2014.

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

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
November 24, 2014

STATISTICAL SECTION

CITY OF RENO

STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2014

Financial Trends

The following tables contain financial trend information to enable the reader to understand how financial performance has changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances, Governmental Funds
- Changes in Fund Balances, Governmental Funds

Revenue Capacity

The following tables contain revenue capacity information to enable the reader to assess the most significant local revenue source.

- Assessed and Estimated Actual Value of Taxable Property
- Property Tax Rates - Direct and Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Collections
- Licenses and Permits by Category

Debt Capacity

The following tables contain debt capacity information to enable the reader to assess the affordability the current level of outstanding debt and the ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type
- Direct and Overlapping Governmental Activities Debt
- Ratios of General Bonded Debt Outstanding
- Legal Debt Margin Information
- Pledged Revenue Bond Coverage

Demographic and Economic Information

The following tables contain demographic and economic information to enable the reader to understand the environment within which financial activities take place.

- Demographic and Economic Statistics
- Principal Employers

Operating Information

The following tables contain operating information to enable the reader to understand how the information contained in the comprehensive annual financial report relates to services provided and activities performed.

- Full-time Equivalent City Government Employees by Function/Program
- Operating Indicators by Function/Program
- Capital Asset Statistics by Function/Program

CITY OF RENO

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012 [1]	June 30, 2013	June 30, 2014
Governmental activities										
Net investment in capital assets	$ 501,003,859	$ 510,436,963	$ 591,115,426	$ 605,628,846	$ 641,476,547	$ 618,355,944	$ 593,821,001	$ 568,036,514	$ 611,511,174	$ 595,029,822
Restricted	59,321,040	72,827,824	103,243,224	125,756,908	119,297,774	124,107,635	109,063,215	109,857,977	67,160,649	61,109,252
Unrestricted	(8,024,524)	3,486,919	(36,802,450)	(48,612,553)	(106,402,085)	(108,980,875)	(115,256,598)	(151,304,989)	(153,724,428)	(161,226,505)
Total governmental activities	552,300,375	586,751,706	657,556,200	682,773,201	654,372,236	633,482,704	587,627,618	526,589,502	524,947,395	494,912,569
Business-type activities										
Net investment in capital assets	185,072,216	209,672,878	163,069,892	185,088,496	204,952,767	214,755,484	218,250,502	210,627,844	222,509,756	240,575,536
Restricted	5,206,160	5,010,153	1,682,273		24,416,215	21,826,023	19,801,326	15,873,574	13,193,945	9,571,325
Unrestricted	62,198,502	53,146,772	125,437,544	118,104,121	93,516,176	93,237,985	104,776,619	109,992,320	111,933,729	124,758,772
Total business-type activities	252,476,878	267,829,803	290,189,709	303,192,617	322,885,158	329,819,492	342,828,447	336,493,738	347,637,430	374,905,633
Primary government										
Net investment in capital assets	686,076,075	720,109,841	754,185,318	790,717,342	846,429,314	833,111,428	812,071,503	778,664,358	834,020,930	835,605,358
Restricted	64,527,200	77,837,977	104,925,497	125,756,908	143,713,989	145,933,658	128,864,541	125,731,551	80,354,594	70,680,577
Unrestricted	54,173,978	56,633,691	88,635,094	69,491,568	(12,885,909)	(15,742,890)	(10,479,979)	(41,312,669)	(41,790,699)	(36,467,733)
Total primary government	$ 804,777,253	$ 854,581,509	$ 947,745,909	$ 985,965,818	$ 977,257,394	$ 963,302,196	$ 930,456,065	$ 863,083,240	$ 872,584,825	$ 869,818,202

1. Fiscal year 2012 amounts were retroactively restated in fiscal year 2013.

CITY OF RENO

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012 [2]	June 30, 2013	June 30, 2014
Expenses										
Governmental activities										
General government	$ 15,624,299	$ 21,455,932	$ 19,254,318	$ 22,890,393	$ 19,248,275	$ 18,574,403	$ 29,313,696	$ 32,686,051	$ 31,516,451	$ 34,595,215
Judicial	5,204,457	6,079,294	6,475,679	7,842,206	8,079,846	8,058,683	7,758,252	7,223,028	7,688,589	7,297,142
Public safety	113,359,504	113,978,737	118,317,386	135,546,892	110,480,548	130,335,490	124,769,041	114,990,532	115,072,376	117,170,198
Public works	51,600,829	55,125,179	58,003,230	67,445,200	94,140,944 [4]	60,159,772	71,642,584	57,540,323	55,111,936	59,149,082
Culture and recreation	19,470,362	19,697,196	21,160,776	22,368,698	21,812,749	21,762,316	16,526,697	14,526,095	18,749,736	15,499,368
Planning and community development	5,860,746	4,581,284	7,430,806	5,837,233	11,694,774	13,350,564	10,637,234	9,849,260	10,582,512	13,676,995
Urban development	3,454,927	5,683,381	3,276,761	3,552,503	4,122,270	3,349,279	2,258,852	1,248,972	2,086,290	2,359,947
Interest on long-term debt	17,540,449	13,411,829	20,328,025	20,945,037	25,547,548	23,447,574	23,291,115	29,368,720	27,179,603	26,974,140
Total governmental activities	232,115,573	240,012,832	254,246,981	286,428,162	295,126,954	279,038,081	286,197,471	267,432,981	267,987,493	276,722,087
Business-type activities										
Sanitary sewer	29,668,235	34,529,836	38,822,685	41,914,533	45,096,526	44,686,785	43,965,081	44,364,321	49,972,058	44,818,778
Golf course	1,938,796	2,036,125	1,802,658	1,779,539	1,548,215	1,503,904	1,318,299	1,295,630 [4]		
Building permit	6,151,551	7,569,511	7,929,433	7,773,077	6,724,452	4,225,351	3,899,577	3,605,348	3,784,827	3,663,078
Other [1]	12,149,614	11,645,962	10,330,526	10,657,695	9,612,323	10,082,406				
Total business-type activities	49,908,196	55,781,434	58,885,302	62,124,844	62,981,516	60,498,446	49,182,957	49,265,299	53,756,885	48,481,856
Total primary government expenses	$ 282,023,769	$ 295,794,266	$ 313,132,283	$ 348,553,006	$ 358,108,470	$ 339,536,527	$ 335,380,428	$ 316,698,280	$ 321,744,378	$ 325,203,943
Program revenues										
Governmental activities										
Charges for services	$ 68,945,754	$ 67,393,776	$ 72,856,478	$ 74,080,131	$ 77,008,349	$ 79,659,622	$ 78,773,277	$ 78,782,531	$ 71,230,131	$ 77,386,117
Operating grants and contributions	4,518,286	6,113,851	6,948,651	7,053,153	8,649,970	14,233,258	11,018,024	11,298,769	16,166,706	14,509,325
Capital grants and contributions	47,852,071	63,266,466	96,546,791	75,035,849	48,153,632	14,822,589	8,523,226	11,601,446	45,488,140	25,493,658
Total governmental activities	121,316,111	136,774,093	176,351,920	156,169,133	133,811,951	108,715,469	98,314,527	101,682,746	132,884,977	117,389,100
Business-type activities										
Charges for services	40,237,859	46,295,954	47,365,660	48,925,709	47,927,811	49,324,337	50,079,335	51,870,951	60,037,239	64,627,936
Operating grants and contributions	54,914	26,375	315,375	255,064	413,600	209,258	168,668	31,055	32,194	17,003
Capital grants and contributions	13,753,915	19,082,843	26,183,221	20,534,505	23,216,960	9,666,201	4,408,097	3,722,997	8,170,432	11,832,463
Total business-type activities	54,046,688	65,405,172	73,864,256	69,715,278	71,558,371	59,199,796	54,656,100	55,625,003	68,239,865	76,477,402
Total primary government program revenues	$ 175,362,799	$ 202,179,265	$ 250,216,176	$ 225,884,411	$ 205,370,322	$ 167,915,265	$ 152,970,627	$ 157,307,749	$ 201,124,842	$ 193,866,502
Net (expenses) program revenues										
Governmental activities	$ (110,799,462)	$ (103,238,739)	$ (77,895,061)	$ (130,259,029)	$ (161,315,003)	$ (170,322,612)	$ (187,882,944)	$ (165,750,235)	$ (135,102,516)	$ (159,332,987)
Business-type activities	4,138,492	9,623,738	14,978,954	7,590,434	8,576,855	(1,298,650)	5,473,143	6,359,704	14,482,980	27,995,546
Primary government	$ (106,660,970)	$ (93,615,001)	$ (62,916,107)	$ (122,668,595)	$ (152,738,148)	$ (171,621,262)	$ (182,409,801)	$ (159,390,531)	$ (120,619,536)	$ (131,337,441)

(Continued)

CITY OF RENO

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012 [2]	June 30, 2013	June 30, 2014
General revenues and other changes in net position										
Governmental activities										
Property taxes	$ 51,518,055	$ 55,118,928	$ 63,710,224	$ 68,342,284	$ 74,689,217	$ 72,105,003	$ 63,682,340	$ 58,655,405	$ 63,114,015	$ 57,082,120
Intergovernmental consolidated taxes	52,372,923	54,708,166	55,256,937	51,266,041	43,552,723	38,859,576	39,326,558	40,909,269	42,849,236	46,470,929
Room taxes								7,168,308	7,833,957	7,807,221
Sales taxes restricted for debt service [3]	8,260,700	8,925,336	8,895,013	8,737,761	9,167,714	8,479,614	8,996,391	8,571,308	9,200,167	9,669,710
Other sales taxes [3]								269,141	271,025	233,530
Intergovernmental SCCR (AB104) taxes	3,601,134	3,602,340	3,568,290	3,413,261	2,938,194	2,674,326	2,655,300	2,667,490	2,781,495	2,976,670
Other taxes	9,823,511	10,634,323	11,005,390	15,838,338	21,896,196	11,382,500	11,579,095			
Intergovernmental gaming licenses	2,174,280	1,895,490	1,820,891	1,953,433	1,615,321	1,660,646	1,551,555	1,552,916	1,489,815	1,521,371
Investment income	4,222,553	5,376,707	8,064,540	7,677,210	4,521,600	2,517,574	2,360,479	2,037,971	1,942,762	1,970,100
Change in fair value of investments								157,483	(260,892)	(21,550)
Gain on disposal of capital assets								277,930	46,716	462,903
Miscellaneous	1,532,505	7,009,892	2,147,815	1,044,345	1,455,769	401,007	861,751	1,087,310	890,666	272,370
Transfers	(4,365,478)	(4,262,259)	(5,769,545)	(4,566,309)	(10,468,575)	(8,161,075)	(1,140,227)	(600,410)	3,301,447	852,787
Total governmental activities	129,140,183	143,008,923	148,699,555	153,706,364	149,368,159	129,919,171	129,873,242	122,754,121	133,460,409	129,298,161
Business-type activities										
Property taxes	2,198,185	87,677								
Investment income [3]	468,596	715,402	1,455,917	837,324	641,075	60,941	165,705	101,805	159,390	114,015
Change in fair value of investments [3]								114,596	(228,228)	(18,597)
Gain on disposal of capital assets									18,833	
Miscellaneous	288,583	1,471,656	155,489	8,841	6,036	10,968	126,155	99,035	12,164	30,026
Transfers	4,365,478	4,262,259	5,769,545	4,566,309	10,468,575	8,161,075	1,140,227	600,410	(3,301,447)	(852,787)
Total business-type activities	7,320,842	6,536,994	7,380,951	5,412,474	11,115,686	8,232,984	1,432,087	915,846	(3,339,288)	(727,343)
Total primary government general revenues and other changes in net position	$ 136,461,025	$ 149,545,917	$ 156,080,506	$ 159,118,838	$ 160,483,845	$ 138,152,155	$ 131,305,329	$ 123,669,967	$ 130,121,121	$ 128,570,818
Change in net position										
Governmental activities	$ 18,340,721	$ 39,770,184	$ 70,804,494	$ 23,447,335	$ (11,946,844)	$ (40,403,441)	$ (58,009,702)	$ (42,996,114)	$ (1,642,107)	$ (30,034,826)
Business-type activities	11,459,334	16,160,732	22,359,905	13,002,908	19,692,541	6,934,334	6,905,230	7,275,550	11,143,692	27,268,203
Primary government	$ 29,800,055	$ 55,930,916	$ 93,164,399	$ 36,450,243	$ 7,745,697	$ (33,469,107)	$ (51,104,472)	$ (35,720,564)	$ 9,501,585	$ (2,766,623)

1. Includes the animal services shelter, planning (established in 2005), and dispatch center enterprise funds. The planning and dispatch center enterprise funds were moved to the general fund effective July 1, 2010, and the animal services shelter enterprise fund was transferred to Washoe County Effective July 1, 2005.
2. Fiscal year 2012 amounts were retroactively restated in fiscal year 2013.
3. Prior to fiscal 2012, certain revenues were reported as aggregate amounts, rather than by specific type.
4. The Golf course fund was moved to the general fund effective July 1, 2013.

CITY OF RENO

FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011 [1]	June 30, 2012	June 30, 2013	June 30, 2014
General fund										
Reserved	$ 3,438,861	$ 1,351,283	$ 1,907,826	$ 2,745,300	$ 1,566,639	$ 2,504,173	$	$	$	$
Unreserved	13,334,149	15,300,632	13,573,339	10,398,438	8,500,411	5,123,776				
Nonspendable							688,328	494,775	454,285	411,578
Restricted							1,680,634	821,800	885,998	878,979
Assigned							187,626	171,147	224,188	351,624
Unassigned							2,948,665	5,018,570	5,895,188	10,588,880
Total general fund	$ 16,773,010	$ 16,651,915	$ 15,481,165	$ 13,143,738	$ 10,067,050	$ 7,627,949	$ 5,505,253	$ 6,506,292	$ 7,459,659	$ 12,231,061
Other governmental funds										
Reserved	$ 117,776,135	$ 66,023,924	$ 82,122,834	$ 87,381,222	$ 138,925,867	$ 111,417,520	$	$	$	$
Unreserved										
Special revenue funds	5,786,466	2,593,727	9,425,040	8,957,581	1,173,909	3,500,599				
Capital projects funds	(60,269,078)	8,940,698	(3,770,992)	(4,594,721)	(5,035,965)	(2,313,234)				
Nonspendable							40,717,557	37,769,370	1,268,875	1,332,978
Restricted							53,944,358	33,346,579	35,626,928	35,827,565
Committed							68,188			
Assigned							11,277,020	15,503,200	19,137,930	23,416,652
Unassigned								(1,063,493)	(855,487)	(638,540)
Total other governmental funds	$ 63,293,523	$ 77,558,349	$ 87,776,882	$ 91,744,082	$ 135,063,811	$ 112,604,885	$ 106,007,123	$ 85,555,656	$ 55,178,246	$ 59,938,655

1. With GASB 54 becoming effective in fiscal year 2011, there are new fund balance classifications which are being applied prospectively.

CITY OF RENO

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
REVENUES										
Taxes [1]	$ 64,246,504	$ 67,168,158	$ 74,646,248	$ 81,031,666	$ 92,527,474	$ 79,889,904	$ 71,523,551	$	$	$
Property taxes [1]								58,748,573	63,271,011	59,001,032
Motor vehicle taxes [1]								4,589,258	4,889,769	5,218,458
Room and construction taxes [1]								7,565,981	8,761,171	8,791,459
Intergovernmental SCCR (AB104) taxes [1]								2,667,490	2,781,495	2,976,670
Intergovernmental [1]	95,757,876	99,876,867	109,091,955	84,288,149	94,593,393	82,646,049	82,475,857			
Intergovernmental capital project taxes [1]								614,393	458,621	489,208
Intergovernmental consolidated taxes [1]								40,909,269	42,849,236	46,470,929
Intergovernmental gaming licenses [1]								1,552,916	1,489,815	1,521,371
Franchise fees [1]								22,710,178	23,713,630	28,503,338
Licenses, permits and other fees [1]	31,153,624	32,283,822	35,975,919	36,567,669	35,398,399	37,212,757	36,289,020	15,294,161	18,096,605	16,638,013
Special assessments	4,040,392	4,157,862	2,701,017	2,871,440	2,607,993	3,168,898	3,143,163	3,152,638	3,562,917	3,768,781
Grants and contributions								14,277,737	22,035,375	19,483,785
Charges for services [1]	7,314,653	8,494,849	7,958,794	8,178,560	19,177,677	19,671,203	14,181,291	13,355,685	12,781,829	13,286,822
Downtown district room surcharge [1]								2,003,432	2,187,000	2,144,842
Dedicated sales taxes [1]								20,327,167	9,621,894	9,903,240
Fines and forfeitures [1]	2,806,405	3,624,141	4,524,164	4,574,634	4,185,139	3,990,373	3,365,867	3,429,246	2,957,839	3,971,584
Reimbursements and restitutions [1]								2,902,289	2,425,290	2,390,854
Rents and royalties								2,063,066	2,064,286	1,997,409
Investment income [1]	2,484,982	4,187,738	6,118,931	5,921,751	3,451,817	1,941,746	2,026,114	1,777,641	1,745,617	1,668,137
Change in fair value of investments [1]								157,483	(260,892)	(21,550)
Miscellaneous	21,916,497	18,172,493	18,296,050	57,077,934	9,775,628	10,283,728	8,684,396	1,743,847	1,177,304	1,067,642
Total revenues	229,720,933	237,965,930	259,313,078	280,511,803	261,717,520	238,804,658	221,689,259	219,842,450	226,609,812	229,272,024
EXPENDITURES										
Current										
General government [3]	15,603,717	17,080,258	17,777,657	17,731,055	16,192,548	15,479,395	16,666,438	16,050,720	17,355,782	17,031,363
Judicial	4,915,250	5,615,114	5,645,431	6,596,015	7,299,633	7,011,359	7,004,347	6,651,618	6,931,295	6,521,204
Public safety	99,651,589	101,832,717	111,545,635	117,630,088	114,212,206	113,134,307	108,124,303	102,411,946	101,611,973	102,085,861
Public works	24,438,773	20,792,868	21,499,497	28,283,348	24,407,892	20,886,321	25,650,774	20,415,789	18,516,373	19,143,703
Culture and recreation	16,372,705	15,924,188	17,305,789	18,176,148	17,246,463	17,081,909	11,880,240	9,138,983	10,497,003	9,722,309
Planning and community development [3]	6,975,537	4,289,182	7,084,598	6,907,616	11,133,839	12,580,256	10,277,705	9,302,599	10,820,153	12,068,497
Urban redevelopment	2,071,514	2,347,178	2,288,753	2,983,836	3,834,292	3,055,179	1,239,530	787,315	754,499	737,761
Other	3,394,609	5,500,472	3,872,818	4,365,179	3,773,363	4,784,752	4,728,491	8,772,774	8,080,474	9,034,265
Total current	173,423,694	173,381,977	187,020,178	202,673,285	198,100,236	194,013,478	185,571,828	173,531,744	174,567,552	176,344,963
Capital outlay										
Public safety								388,294	21,541	24,261
Public works								20,260,185	8,118,958	8,471,828
Culture and recreation								830,499	1,210,489	420,468
Other [1]	149,866,708	61,859,754	47,777,780	51,523,934	28,015,696	20,673,508	16,974,168			
Total capital outlay	149,866,708	61,859,754	47,777,780	51,523,934	28,015,696	20,673,508	16,974,168	21,478,978	9,350,988	8,916,557
Debt service										
Principal payments	9,399,109	9,830,437	9,490,866	9,755,905	11,943,401	13,506,867	16,160,660	15,551,744	16,590,010	69,942,333
Interest expense and fiscal charges	16,789,578	11,703,107	18,350,174	18,517,670	22,442,015	19,172,227	18,856,808	17,948,596	17,569,966	16,141,074
Debt issuance costs	120,226	8,806,979	1,053,997	9,378,659	1,570,557		413,003	74,835		997,570
Administrative and other costs	432,854	885,460	809,851	1,022,214	1,902,391	2,784,617	2,747,770	2,784,943	2,480,894	2,773,560
Total debt service	26,741,767	31,225,983	29,704,888	38,674,448	37,858,364	35,463,711	38,178,241	36,360,118	36,640,870	89,854,537

(Continued)

CITY OF RENO

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

		June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Total expenditures		350,032,169	266,467,714	264,502,846	292,871,667	263,974,296	250,150,697	240,724,237	231,370,840	220,559,410	275,116,057
DEFICIENCY OF REVENUES UNDER EXPENDITURES		(120,311,236)	(28,501,784)	(5,189,768)	(12,359,864)	(2,256,776)	(11,346,039)	(19,034,978)	(11,528,390)	6,050,402	(45,844,033)
OTHER FINANCING SOURCES (USES)											
Debt issuance proceeds	2	55,738,063	313,969,210	45,000,934	207,337,856	83,543,362		17,091,000	2,167,075	366,602	79,940,715
Debt issuance premiums											5,599,737
Payment to advance refunding bond agent			(259,675,524)		(184,623,631)			(3,860,413)			(34,897,247)
Proceeds from capital asset disposal		89,074	2,046,722	439,594	10,068	66,925	6,070	935,745	160,188	555,513	4,496,279
Transfers in		41,696,731	119,902,244	40,899,555	47,548,305	30,813,975	32,877,213	28,962,823	16,408,268	20,324,192	22,460,457
Transfers out		(51,605,189)	(128,661,948)	(52,128,091)	(56,282,961)	(42,749,965)	(45,545,159)	(30,129,544)	(23,448,678)	(20,384,158)	(22,224,097)
Transfer of property held for sale to general capital assets										(36,336,594)	
Other			(478,872)	(20,405,473)		(30,731,864)		(218,949)			
Total other financing sources (uses)		45,918,679	47,101,832	13,806,519	13,989,637	40,942,433	(12,661,876)	12,780,662	(4,713,147)	(35,474,445)	55,375,844
CHANGE IN FUND BALANCE		$ (74,392,557)	$ 18,600,048	$ 8,616,751	$ 1,629,773	$ 38,685,657	$ (24,007,915)	$ (6,254,316)	$ (16,241,537)	$ (29,424,043)	$ 9,531,811
Debt service as a percentage of noncapital expenditures	4	13.30 %	10.60 %	12.90 %	11.80 %	14.50 %	14.70 %	16.40 %	15.90 %	18.72 %	35.50 %

1. Prior to FY 2012, certain revenues were reported as aggregate amounts, rather than by specific type.
2. Debt issuance proceeds are presented net of premiums and discounts.
3. Operation of the dispatch center was assumed by the General Fund effective July 1, 2010.
   Operation of planning, formerly reported as an enterprise fund was assumed by the General Fund and included in Community Development and Support effective July 1, 2010.
   Operation of communication & technology, formerly reported as an internal service fund was assumed by the General Fund and included in General Government effective July 1, 2010.
   Operation of the Golf Fund, formerly reported as an enterprise fund, was assumed by the General Fund and included in Culture and recreation effective July 1, 2012.
4. Formula takes into consideration capital related costs that were included in current expenditures.

CITY OF RENO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY[1, 2]
LAST TEN FISCAL YEARS
IN THOUSANDS
(UNAUDITED)

For the Year Ended June 30,	Vacant Property	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Other Property	Less Tax Exempt Property	Total Taxable Assessed Value	Direct Tax Rate [4]	Estimated Actual Value	Ratio of Total Taxable Assessed to Total Estimated Actual Value [5]
2005	$	$	$	$	$	$	$	$ 5,105,374 [3]	0.9456	$ 14,586,783	35.00 %
2006	547,337	3,259,772	2,175,812	625,783	1,255	60,623	(1,073,606)	5,596,976	0.9456	15,991,361	35.00 %
2007	486,154	3,853,039	2,254,125	537,450	1,363	60,814	(1,075,872)	6,117,073	0.9456	17,477,351	35.00 %
2008	576,364	4,285,823	2,577,443	585,893	1,417	61,222	(1,282,063)	6,806,099	0.9456	19,445,997	35.00 %
2009	606,435	4,948,148	2,749,449	675,530	1,486	65,340	(1,366,826)	7,679,562	0.9456	21,941,606	35.00 %
2010	422,120	4,350,037	2,951,879	682,094	1,442	63,754	(1,536,966)	6,934,360	0.9456	19,812,457	35.00 %
2011	290,390	3,850,889	2,711,409	651,473	124	53,983	(1,490,256)	6,068,012	0.9456	17,337,177	35.00 %
2012	301,146	3,560,525	2,586,197	631,327	1,750	53,014	(1,462,807)	5,671,152	0.9456	16,203,291	35.00 %
2013	237,890	3,387,224	2,645,312	617,868	1,976	58,556	(1,526,435)	5,422,391	0.9598	15,492,546	35.00 %
2014	231,608	3,423,927	2,590,618	615,433	1,946	60,557	(1,496,914)	5,427,175	0.9598	15,506,214	35.00 %

1. Source - Nevada State Department of Taxation and Office of the Washoe County Assessor
2. All amounts reflect the City of Reno, the Redevelopment Agency of the City of Reno, and the Reno Tax Increment District.
3. A breakdown of property taxes by type for years 2005 is not available.
4. The direct tax rate applicable to the total taxable assess value includes the City's total direct rate.
5. Pursuant to State statute, all property is assessed at 35% of its estimated value.

CITY OF RENO

PROPERTY TAX RATES[1] - DIRECT AND OVERLAPPING GOVERNMENTS
(PER $100 OF ASSESS VALUE[2])
LAST TEN FISCAL YEARS
(UNAUDITED)

	City of Reno, Direct Rates			Overlapping Rates			
For the Year Ended June 30,	City Operations	Debt Service	Total Direct Tax Rate	State of Nevada	School District	Washoe County	Special District
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	0.8943	0.0513	0.9456	0.1700	1.1385	1.3917	0.0004
2010	0.9274	0.0182	0.9456	0.1700	1.1385	1.3917	0.0004
2011	0.9274	0.0182	0.9456	0.1700	1.1385	1.3917	0.0005
2012	0.9456		0.9456	0.1700	1.1385	1.3917	
2013	0.9598		0.9598	0.1700	1.1385	1.3917	
2014	0.9598		0.9598	0.1700	1.1385	1.3917	

	Overlapping Rates				
For the Year Ended June 30,	Reno Increment District, Debt Service[3]	Redevelopment Agency #1	Redevelopment Agency #2[4]	Total Overlapping Rates	Total Direct and Overlapping Rates
2005	3.2398	3.2398		9.1818	10.1274
2006	3.4946	3.4946		9.6913	10.6369
2007	3.2500	3.2500	3.2500	12.4519	13.3975
2008		3.2623	3.2623	9.2260	10.1716
2009		3.2008	3.2008	9.1022	10.0478
2010		3.2144	3.2144	9.1294	10.0750
2011		3.2144	3.2114	9.1265	10.0721
2012		3.0916	3.0916	8.8834	9.8290
2013		3.1058	3.1058	8.9118	9.8716
2014		3.0960	3.0960	8.8922	9.8520

1. Source - State of Nevada, Department of Taxation's "Local Government Finance Redbook."
2. The State of Nevada Constitution has a maximum rate limit of $5 per $100 assessed value and Nevada Revised Statutes further lower the limit to a total combined tax rate of 3.64.
3. Reno Increment District removed FY 07-08
4. Redevelopment Agency #2 established in FY 2006-2007

CITY OF RENO

PRINCIPAL PROPERTY TAXPAYERS[1]
CURRENT AND NINE YEARS AGO
(UNAUDITED)

	2014			2005		
Taxpayer	Taxable Assessed Value [2]	Rank	Approximate Percentage of Taxable Assess Valuation [3]	Taxable Assessed Value [2]	Rank	Approximate Percentage of Taxable Assess Valuation [3]
Peppermill Casino Inc	$ 79,760	1	1.47 %	$ 43,735	3	0.86 %
BRE/Reno Property Owner LLC	75,468	2	1.39 %			
Golden Road Motor Inn Inc	42,589	3	0.78 %	33,911	7	0.66 %
MPT of Reno LLC	38,612	4	0.71 %			
Circus & Eldorado Joint Venture	28,202	5	0.52 %	65,115	1	1.28 %
International Game Technology	24,850	6	0.46 %	34,430	6	0.67 %
G& I VII Reno Operating LLC	19,384	7	0.36 %			
Charles Rivers Laboratories Inc	16,078	8	0.30 %			
Meadowood Mall SPE LLC	15,907	9	0.29 %			
Gage Village Comml Dev LLC	15,234	10	0.28 %			
El Dorado Resorts LLC				38,704	5	0.76 %
FHR Corporation				25,921	9	0.51 %
Harrah's Club				31,390	8	0.61 %
DP Industrial LLC				62,987	2	1.23 %
Lennar Reno LLC				24,109	10	0.47 %
Washoe Medical Center Inc				39,691	4	0.78 %
	$ 356,084		6.56 %	$ 399,993		7.83 %

1. Source - Office of the Washoe County Assessor, Statistical Section, "Top Reno Taxpayers" report
2. Taxable assessed value is 35% of appraised value.
3. See the "Assessed and Estimated Actual Value of Taxable Property" table for assessed property value data.

CITY OF RENO

PROPERTY TAX LEVIES AND COLLECTIONS[1]
LAST TEN FISCAL YEARS
IN THOUSANDS
(UNAUDITED)

For the Year Ended June 30,	Tax Levy [2]	Current Tax Levy Collections	Percent of Tax Levy Collected	Delinquent Tax Levy Collections	Total Tax Levy Collected	Percent of Total Tax Levy Collected to Tax Levy
2005	$ 48,263	$ 47,836	99.1153 %	$ 427	$ 48,263	100.0000 %
2006	51,949	51,203	98.5640 %	746	51,949	100.0000 %
2007	59,649	59,075	99.0377 %	573	59,648	99.9983 %
2008	64,543	64,058	99.2486 %	380	64,438	99.8373 %
2009	63,794	62,672	98.2412 %	765	63,437	99.4404 %
2010	62,732	62,643	99.8581 %	89	62,732	100.0000 %
2011	57,261	56,444	98.5732 %	570	57,014	99.5686 %
2012	54,288	53,547	98.6351 %	652	54,199	99.8361 %
2013	52,893	52,490	99.2381 %	250	52,740	99.7107 %
2014	52,800	52,368	99.1818 %		52,368	99.1818 %

1. Source - Washoe County Assessor and Treasurer and City of Reno Finance Department
2. Excludes personal property taxes, centrally assessed property taxes and Reno Redevelopment Agency taxes.

CITY OF RENO

LICENSES AND PERMITS BY CATEGORY[1]
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Business licenses	$ 11,901,676	$ 12,320,382	$ 13,868,588	$ 13,419,739	$ 12,633,107	$ 11,287,373	$ 11,364,176	$ 11,781,860	$ 12,476,307	$ 12,735,089
City gaming licenses	2,848,771	2,367,783	2,548,837	2,364,451	2,201,449	2,046,810	2,028,215	2,000,542	1,972,027	1,929,494
Liquor licenses	1,141,170	1,030,430	1,180,837	1,151,688	1,294,792	1,277,056	1,264,106	1,293,439	1,399,924	1,473,174
Non-business licenses and permits	160,660	55,356	61,100	72,756	38,207	35,746	33,131	187,966	293,773	579,688
Electricity franchise fees	4,580,484	5,064,303	5,733,862	5,783,785	6,227,461	8,266,881	7,314,420	8,897,576	9,258,752	11,634,425
Telephone franchise fees	3,498,648	3,414,967	3,649,048	3,735,284	3,873,036	3,435,740	3,383,752	3,082,993	3,230,640	3,164,583
Natural gas franchise fees	1,728,638	2,071,950	2,458,676	2,368,616	2,205,186	3,396,125	2,817,106	2,656,784	2,107,487	3,622,350
Sanitation franchise fees	1,709,852	1,869,581	1,974,410	2,385,936	2,213,979	2,199,114	2,279,934	2,193,302	2,066,737	2,465,678
Water toll fees	939,670	961,514	1,007,879	998,524	959,311	1,376,897	1,448,400	1,511,903	2,306,041	[2]
Sewer-in-lieu-of-franchise fees	1,031,041	1,289,617	1,504,931	1,471,135	1,683,913	2,020,040	2,227,361	2,355,745	2,587,019	2,788,314
Cable television fees	1,419,899	1,692,421	1,886,280	2,463,954	1,832,294	1,784,686	2,005,415	2,011,875	2,156,954	2,242,873
	$ 30,960,509	$ 32,138,304	$ 35,874,448	$ 36,215,868	$ 35,162,735	$ 37,126,468	$ 36,166,016	$ 37,973,985	$ 39,855,661	$ 42,635,668

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1. Licenses and permits, the City's second largest "own-source" revenue, are presented for the general fund only.
2. Effective fiscal year 2014, water toll fees have been moved to the Street Fund as this is the fund that uses these fees and ot reduce transfers, the City decided to deposit directly into the Street Fund.

CITY OF RENO

RATIOS OF OUTSTANDING DEBT[1] BY TYPE
LAST TEN FISCAL YEARS
IN THOUSANDS, EXCEPT PER CAPITA
(UNAUDITED)

	Governmental Activities					Business-type Activities				
For the Year Ended June 30,	General Obligation Bonds	Tax Allocation Bonds	Pledged Revenue Bonds	Special Assessment Bonds	Other [2]	General Obligation/Pledged Revenue Bonds	Other [2]	Total Primary Government	Percentage of Personal Income [3]	Per Capita [3]
2005	$ 30,220	$ 38,765	$ 232,780	$ 15,599	$ 53,608	$ 3,295	$	$ 374,267	4.23 %	$ 1,810
2006	28,480	35,755	338,986	25,401	3,090	29,395	43,070	504,177	5.37 %	2,352
2007	22,965	35,235	361,623	24,488	2,705	73,536	8,033	528,585	5.30 %	2,396
2008	17,640	34,260	368,366	25,125	11,515	104,706		561,612	5.52 %	2,518
2009	57,690	33,980	400,136	23,530	12,516	98,657		626,509	6.93 %	2,872
2010	52,485	32,765	396,109	21,979	11,008	92,497		606,843	6.64 %	2,793
2011	51,440	31,495	388,385	20,617	4,536	89,205		585,678	6.07 %	2,629
2012	44,885	30,155	383,120	20,303	18,547	84,885		581,895	5.60 %	2,532
2013	41,868	28,756	377,434	18,896	17,543	78,820		563,317	5.23 %	2,426
2014	76,616	27,280	327,345	16,979	17,796	74,474		540,490	4.95 %	2,327

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. These figures are reported net of bond premiums and discounts.
2. Includes loans and notes payable, installment purchase agreements and capital leases.
3. See the "Demographic and Economic Statistics" table for personal income and population data. Personal income data for 2006 forward is from Applied Analysis, 10100 W. Charleston Boulevard, Suite 200, Las Vegas, Nevada 89135 or www.appliedanalysis.com.

CITY OF RENO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT[1]
JUNE 30, 2014
IN THOUSANDS
(UNAUDITED)

	General Obligation Debt [2]	Percent Applicable	Applicable General Obligation Debt
City of Reno	$ 76,616	100.00 %	$ 76,616
Overlapping governments [3]			
Washoe County School District	506,095	46.10 %	233,310
Washoe County	163,556	46.10 %	75,399
State of Nevada	1,887,605	6.95 %	131,189
Total overlapping governments	2,557,256		439,898
Total direct and overlapping debt	2,633,872		$ 516,514

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
2. Represents general obligation bonds repaid through general property taxes.
3. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Reno. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident; and therefore, responsible for repaying the debt, of each overlapping government. Debt amounts for overlapping entities in the various governments and percentage applicable are derived from the State of Nevada, Department of Taxation's "Local Government Finance Redbook."

CITY OF RENO

RATIOS OF GENERAL BONDED DEBT[1] OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

For the Year Ended June 30,	General Obligation Bonds	General Obligation/Pledged Revenue Bonds	Total General Bonded Debt	Percentage of Estimated Actual Property Value [2]	Per Capita [3]	Amounts Available to Repay General Bonded Debt	Net General Bonded Debt
2005	$ 30,220	$ 3,295	$ 33,515	0.23 %	$ 162	$ 10,988	$ 22,527
2006	28,480	29,395	57,875	0.36 %	270	11,565	46,310
2007	22,965	73,536	96,501	0.55 %	437	10,103	86,398
2008	17,640	104,706	122,346	0.63 %	549	7,718	114,628
2009	57,690	98,657	156,347	0.71 %	717	8,767	147,580
2010	52,485	92,497	144,982	0.73 %	667	1,712	143,270
2011	51,440	89,205	140,645	0.81 %	631	2,221	138,424
2012	44,885	84,885	129,770	0.80 %	565	111	129,659
2013	41,868	78,820	120,688	0.78 %	520	13	120,675
2014	76,616	74,474	151,090	0.97 %	651	425	150,665

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
2. See the "Assessed and Estimated Actual Value of Taxable Property" table for estimated actual property value data.
3. See the "Demographic and Economic Statistics" table for population data.

CITY OF RENO

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
IN THOUSANDS
(UNAUDITED)

		June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Total taxable assessed property value	1	$ 5,105,374	$ 5,596,976	$ 6,117,073	$ 6,806,099	$ 7,679,562	$ 6,934,360	$ 6,068,012	$ 5,671,152	$ 5,422,391	$ 5,427,175
Legal debt Margin											
Legal debt limit (15% of taxable assessed property value)	2	$ 765,806	$ 839,546	$ 917,561	$ 1,020,915	$ 1,151,934	$ 1,040,154	$ 910,202	$ 850,673	$ 813,359	$ 814,076
Debt applicable to debt limit											
Net general bonded debt	3	22,527	46,310	86,398	114,628	147,580	143,270	138,424	129,659	120,675	150,665
Legal debt margin	4	$ 743,279	$ 793,236	$ 831,163	$ 906,287	$ 1,004,354	$ 896,884	$ 771,778	$ 721,014	$ 692,684	$ 663,411
Total debt applicable to debt limit as a percentage of debt limit		97.06 %	94.48 %	90.58 %	88.77 %	87.19 %	86.23 %	84.79 %	84.76 %	85.16 %	81.49 %

1. See the "Assessed and Estimated Actual Value of Taxable Property" table for estimated actual property value data.
2. The City of Reno charter states that the City shall not incur an indebtedness in excess of 15% of the total taxable assessed property value 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 property (ad valorem) taxes.
3. See the "Ratios of General Bonded Debt Outstanding" table for the calculation of net general bonded debt.
4. The calculation of the City's legal debt margin is performed in accordance with NRS 266.600.

CITY OF RENO

PLEDGED REVENUE BOND[1] COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

Senior Lien Sales and Room Tax Revenue (ReTRAC) Bonds [2]

For the Year Ended June 30,	Room Tax Collections [5]	Sales Tax Collections [5]	Available Revenue	Debt Service: Principal	Debt Service: Interest	Coverage
2005	$ 948,736	$ 8,260,700	$ 9,209,436	$	$ 5,928,319	155.35 %
2006	1,077,511	8,925,336	10,002,847		2,964,159	337.46 %
2007	1,074,435	8,895,013	9,969,448		7,794,611	127.90 %
2008	991,523	8,379,747	9,371,270	120,000	5,931,411	154.86 %
2009	735,302	7,080,474	7,815,776	820,000	6,269,671	110.24 %
2010	691,252	6,340,270	7,031,522	1,260,000	6,120,390	95.27 %
2011	681,789	6,477,291	7,159,080	1,375,000	5,657,085	101.81 %
2012	637,389	6,733,005	7,370,394	1,640,000	5,066,692	109.90 %
2013	705,030	7,127,853	7,832,883	1,795,000	5,100,128	113.60 %
2014	703,885	7,672,343	8,376,228	1,945,000	4,922,321	121.97 %

Capital Improvement (Events Center) Bonds [3]

For the Year Ended June 30,	Room Tax Collections [6]	Intergovernmental Consolidated Taxes (15%)	Available Revenue	Debt Service: Principal	Debt Service: Interest	Coverage
2005	$ 5,811,018	$ 7,855,938	$ 13,666,956	$	$ 5,776,525	236.59 %
2006	6,053,375	8,206,225	14,259,600	130,000	3,841,973	359.01 %
2007	6,285,727	8,288,540	14,574,267	285,000	4,858,814	283.34 %
2008	6,000,979	7,689,906	13,690,885	845,000	6,620,921	183.38 %
2009	5,077,055	6,532,908	11,609,963	1,045,000	9,190,524	113.43 %
2010	4,960,895	5,828,936	10,789,831	1,230,000	4,780,345	179.52 %
2011	4,844,006	5,898,984	10,742,990	1,455,000	4,719,136	174.00 %
2012	4,759,242	6,136,390	10,895,632	1,695,000	4,627,382	172.33 %
2013	5,185,236	6,427,385	11,612,621	1,940,000	4,573,918	178.27 %
2014	5,158,134	6,970,639	12,128,773	1,550,000	3,961,748	220.05 %

Sales Tax Anticipation Revenue (STAR) Bonds [4]

For the Year Ended June 30,	Sales Tax Increment Collections	Debt Service: Principal	Debt Service: Interest	Coverage
2005	$	$	$	%
2006				%
2007				%
2008				%
2009	2,087,240	240,000	1,258,956	139.25 %
2010	2,139,344	560,000	1,821,463	89.83 %
2011	1,863,765	660,000	1,792,312	76.00 %
2012	1,838,303	770,000	1,757,563	72.73 %
2013	2,072,312	880,000	1,716,912	79.80 %
2014	1,997,367	1,010,000	1,629,375	75.68 %

Special Assessment Bonds

For the Year Ended June 30,	Special Assessment Collections [8]	Debt Service: Principal [9]	Debt Service: Interest	Coverage
2005	$ 3,609,763	$ 757,133	$ 657,299	255.21 %
2006	3,984,792	324,087	614,051	424.76 % [7]
2007	2,900,982	913,344	1,581,513	116.28 %
2008	3,281,237	908,344	1,624,196	129.56 %
2009	3,032,794	1,594,343	1,653,298	93.38 %
2010	3,301,212	1,551,344	1,576,358	105.55 %
2011	3,159,452	1,335,333	1,478,588	112.28 %
2012	3,219,648	1,253,744	1,406,734	121.02 %
2013	3,499,396	1,367,530	1,350,485	128.75 %
2014	3,206,260	1,919,200	1,269,729	100.54 %

(Continued)

CITY OF RENO

PLEDGED REVENUE BOND[1] COVERAGE (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

Agency Special Assessment Bonds (Includes Sierra Corporation, Somersett and Double R) 11

For the Year Ended June 30,	Special Assessment Collections	Debt Service Principal 9	Debt Service Interest	Coverage
2005	$ 3,172,448	$ 1,180,000	$ 1,635,204	112.69 %
2006	3,350,390	1,180,000	1,551,425	122.66 %
2007	3,210,975	1,720,000	1,333,056	105.17 %
2008	3,308,929	1,440,000	1,428,750	115.34 %
2009	3,081,683	1,620,000	1,362,563	103.32 %
2010	3,559,478	1,790,000	1,291,516	115.51 %
2011	2,938,511	1,610,000	1,182,973	105.21 %
2012	2,932,920	1,715,000	1,091,484	104.51 %
2013	3,447,224	2,500,000	1,019,533	97.95 %
2014	2,622,893	1,385,000	622,977	130.62 %

Lease Revenue Bonds (ReTrac Properties & Fitzgerald Parking Garage) 12

For the Year Ended June 30,	Property Lease/Rent Collections 6	Debt Service Principal 10	Debt Service Interest	Coverage
2005	$	$	$	%
2006				%
2007				%
2008	1,574,297		968,397	162.57 %
2009	1,251,328	175,000	512,280	182.07 %
2010	1,012,990	287,000	140,096	237.18 %
2011	915,926	380,000	118,302	183.81 %
2012	912,639	380,000	105,430	188.01 %
2013	939,875	435,000	101,885	175.06 %
2014	907,589	339,000	75,858	218.77 %

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1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
2. 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. The 2002 bonds were refunded with the issuance of the Series 2006 Bonds on 04/14/06. Series 2006 A & B Bonds are repayable with sales tax revenues; Series 2006 C Bonds are repayable from room tax revenues. The Series 2006 A & B Bonds were refunded on 03/04/08 with the issuance of the Series 2008 A & B Bonds, which converted the 2006 A Bonds from auction rate securities to variable rate demand bonds. Totals do not include SAD bonds. Bond proceeds financed the rail transportation access corridor (ReTRAC) construction and cover capital projects.
3. On 10/26/05 the Series 2002 Capital Improvement Bonds were partially refunded with the issuance of the Series 2005 A Bonds; the Series 2005 B & C Bonds were also issued. The Series 2005 A Bonds, which were auction rate securities, were converted to Variable Rate Demand Bonds on 02/05/09. Totals do not reflect SAD balances. On July 9, 2013, the balance of the Series 2002 Capital Improvement Revenue Bonds were refunded with the issuance of the 2013A G. O. Capital Improvement Refunding Bonds, therefore, fiscal year 2014 includes only the payments made on the Series 2005A Bonds.
4. On 10/23/08, the Series 2007 A & B Cabela's STAR Bonds were issued.
5. 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.
6. Capital Improvement (Events Center) Bonds are backed by an irrevocable pledge on certain taxes imposed on the rental of transient lodging within Washoe County, as well as up to 15% of consolidated tax revenues.
7. 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.
8. Collections and payment information have been adjusted to exclude Agency SAD's beginning FY 2007 - information from Allen Gardner AMG
9. Principal payments may include early principal redemptions based upon excess fund balance availability.
10. An additional principal payment of $3,163,316 was due to sale of property collateralizing the ReTRAC Lease Revenue Bonds and a reduction of cash representing excess lease revenue.
11. In FY 10/11 added table for Agency SAD's reported as fiduciary funds. On March 27, 2014, the City refunded the 2002 Special Assessment District No. 4 Limited Obligation Improvement Bonds with the Series 2014 Local Improvement Refunding Bonds (Somersett Parkway). Fiscal year 2014 includes the December 1 payment on the refunded bonds and the June 1 payment on the Series 2014 bonds.
12. Began reporting FY 07/08. The bonds are variable rate tied to LIBOR. On March 5, 2014, the City of Reno refinanced the Series 2006 Taxable Lease Revenue Bonds and the Series 2007 Taxable Lease Revenue Bonds with the issuance of the Series 2014 Taxable Lease Revenue Bonds. The transaction included a principal paydown using $2.5 million realized from the sale of the land underneath the former Fitzgerald's parking garage.

CITY OF RENO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

For the Year Ended June 30,	Population [1]	Personal Income [2] In Thousands	Per Capita Personal Income [3]	Median Age [4]	Public School Enrollment [6]	Charter School Enrollment [7]	Unemployment Rate [5]
2005	206,735	$ 8,847,224	$ 42,795	$ 34.5	$ 31,992	$ 1,601	3.8 %
2006	214,371	9,390,093	43,803	35.3	31,692	1,810	4.0 %
2007	220,613	9,974,576	45,213	35.3	31,157	1,967	4.5 %
2008	223,012	10,170,908	45,607	35.7	31,126	2,042	6.4 %
2009	218,143	9,035,701	41,421	34.6	31,907	2,212	11.8 %
2010	217,282	9,140,185	42,066	34.5	31,743	2,392	13.4 %
2011	222,801	9,643,050	43,281	36.4	31,052	2,435	12.9 %
2012	229,859	10,389,167	45,198	37.0	30,916	2,520	11.7 %
2013	232,243	10,765,392	46,354	37.6	31,295	2,578	9.8 %
2014	232,243	10,915,421	47,000	37.8	32,786	2,564	7.3 %

1. 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 State of Nevada Department of Taxation, Demographer-2010 Certified Figures from the Governor's office Certification of Population by the Governor per NRS 360.285 occurs on or before March 1 of the next fiscal year we are using the known figure from the prior year each year and will correct once certification is obtained
2. Started Calculating Personal Income 2009-calculated as Population X Per Capita Personal Income*43%. Personal Income 2012 estimate-Corrected Per Capita Personal Income through 2010 with BEA Figures for each Calendar year this corrected each prior year
3. Per Capita Personal Income 2009-US Bureau of Economic Analysis Website (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 year. Estimated 2012 figure 1st Qtr of 2012 X 43% (based on prior years; this is the percentage for Reno/Sparks Metro Area)
4. Bureau of Economic and Business Research, University of Nevada, Reno, 1995-1999. State Demographer Office, UNR Small Business Development Center, 2000. Washoe County Department of Community Development, 2001-2003. Median age is for the entire County (WC Stat Section Sch 4.1). 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.
5. US Census Bureau-factfinder.census.gov Median Age is for all of Washoe County
6. 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
7. Washoe County School District - added Charter Schools to 05/06 to enrollment amounts. In FY 11/12 corrected previous years-Used Tax records to verify address in Reno or County.

CITY OF RENO

PRINCIPAL EMPLOYERS[1, 2]
CURRENT AND NINE YEARS AGO
(UNAUDITED)

	December 31, 2013			December 31, 2004		
Taxpayer	Employees	Rank	Percentage of Total City of Reno Employment	Employees	Rank	Percentage of Total City of Reno Employment
Washoe County School District	8,250	1	3.72 %	8,750	1	4.19 %
University of Nevada-Reno	4,250	2	1.92 %	4,750	2	2.27 %
Renown Regional Medical Center	2,750	3	1.24 %	2,250	5	1.08 %
Washoe County	2,250	4	1.01 %	2,750	3	1.32 %
Peppermill Hotel Casino-Reno	2,250	5	1.01 %	1,750	9	.84 %
International Game Technology	2,250	6	1.01 %	2,750	4	1.32 %
Integrity Staffing Solutions	1.750	7	.79 %	2,250	6	1.08 %
Silver Legacy Hotel Casino	1,750	8	.79 %	2,250	7	1.08 %
Atlantis Hotel Casino	1,750	9	.79 %	2,250		1.08 %
El Dorado Hotel & Casino	1,250	10	.56 %	1,750	10	.84 %
City of Reno				1,750	8	.84 %

1. Source - 2012/2004-nevadaworkforce.com-Updated on an annual basis only use mid FY data for Stat section
2. Does not include utility companies as these are centrally assessed by the State.

CITY OF RENO

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM[1]
LAST TEN FISCAL YEARS[2]
(UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Function/program										
General government										
Management [8]	44	45	42	42	49	55	49	46	48	44
Records management/cashiering	12	12	12	12	12	10	8	7	7	7
Finance [4]	33	32	33	33	33	33	20	12	11	14
Legal	34	35	35	35	35	35	26	25	24	25
Human resources [5]	17	16	16	16	16	13	9	11	6	9
Information technology [6]	27	29	28	30	30	29	17	17	15	16
Judicial										
Judges	4	4	4	4	4	4	4	4	4	4
Others	49	49	59	53	49	58	53	53	49	44
Police										
Sworn employees	369	370	365	373	373	383	294	304	306	318
Non-commissioned employees	99	104	105	111	110	109	52	52	48	46
Fire										
Authorized emergency personnel	336	336	345	339	344	345	213	229	240	192
Fire prevention officers	15	15	18	17	19	19	14	15	12	12
Others	20	21	20	29	22	22	13	13	13	13
Public works										
Engineers	20	25	31	35	38	38	16	11	12	12
Fleet maintenance	11	11	16	16	16	16	11	10	10	10
Others	141	134	138	129	125	128	73	98	108	106
Planning and community development	41	42	77	37	40	40	19	26	23	23
Culture and recreation	82	87	88	93	93	92	43	49	40	69
Urban development	7	6	7	14	9	5				
Sanitary sewer	63	67	64	69	69	67	54	50	50	49
Building permits	58	65	65	70	66	56	22	20	20	27
Golf course [7]	6	6	6	6	6	4	4	4	3	
Animal shelter [3]	22									
Dispatch services	69	69	70	70	70	70	54	53	51	53
Total full-time equivalent employees	1,579	1,580	1,644	1,633	1,628	1,631	1,068	1,109	1,100	1,093

1. Source - City of Reno, Finance Department, Budget Division and City of Reno Adopted Budget Book
2. 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.
3. Animal Services taken over by Washoe County in FY 2005/06
4. Includes Payroll Division employees effective FY 2003. Excludes Information Technology (IT) Dept employees.
5. Includes Civil Service Department employees. Excludes Payroll Division employees effective in FY 2003.
6. 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.
7. Brookside Golf Course closed October 1, 2006
8. FY 2009/10 broke out management positions more as based on actual job descriptions

CITY OF RENO

Operating Indicators by Function/Program[1]
Last Ten Fiscal Years
(Unaudited)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Function/program										
General government										
Active annual business licenses	20,640	24,461	25,089	25,574	25,574	22,456	22,329	23,506	23,457	23,634
Business license audits completed	70	90	95	186	197	294	288	185	282	296
Percentage of same day response to public requests for research of public documents	96 %	98 %	98 %	99 %	100 %	100 %	98 %	100 %	97 %	98 %
Judicial										
Criminal cases prepared for trial (excl minor traffic cases)	4,950	5,418	5,332	6,177	5,915	5,598	4,786	3,107	3,774	2,971
Cases filed in municipal court	25,779	41,207	44,416	38,844	39,788	35,866	31,968	23,406	21,586	9,032
Cases adjudicated in municipal court	27,632	27,632	42,459	30,327	40,737	36,711	29,778	21,849	16,146	17,989
Police										
Physical arrests	10,197	12,618	14,557	14,087	13,246	11,434	10,668	10,386	10,444	10,713
Misdemeanor citations	3,521	3,804	3,996	4,214	3,829	3,284	2,381	2,627	2,254	2,246
Traffic-related offenses cited [3]	17,041	33,649	40,057	37,523	38,843	33,430	29,789	19,174	17,780	17,750
Fire										
Fire emergencies	1,087	1,238	1,388	3,228	4,790	1,026	10,636	11,068	8,141	8,870
Emergency medical calls	18,476	16,099	24,573	29,732	25,080	25,716	26,922	26,918	25,793	28,403
Inspections [4]	5,741	18,180 [2]	14,775	19,494	8,382	8,216	6,207	6,708	6,036	6,914
Public works										
Streets reported in "fair" or better condition	82 %	84 %	85 %	84 %	85 %	88 %	89 %	89 %	89 %	91 %
Pothole calls received	185	336	168	143	167	130	136	132	71	54
Percent of pothole calls repaired within 24 hours	95 %	93 %	100 %	95 %	97 %	70 %	90 %	95 %	97 %	100 %
Culture and recreation										
Participants in senior recreation programs [5]	26,618	6,327	3,864	4,473	6,094	5,216	5,479	6,477	6,899	7,071
Participants in youth programs	3,893	4,088	4,546	3,865	3,150	3,950	4,372	4,356	4,395	4,672
Instructional swimming classes offered	1,200	1,200	1,200	1,750	1,798	1,674	1,198	1,228	1,242	1,233
Planning and community development										
Jobs generated by businesses in Redevelopment area [6]	123	167	963	384						
Affordable housing units developed in Redevelopment area [6]	240		41	491						
Affordable housing units developed in non-RDA area [7]								29	58	[9]
Housing rehabilitation projects completed	15	27	10	10				21	12	
Code enforcement cases	3,367	4,481	4,184	4,499	5,766	5,077	4,044	2,880	2,882	
Sanitary sewer										
Lineal feet of sewer lines and storm drains maintained (in millions)	3	3	4	4	4	4	4	4	4	4
Golf course										
Cost per acre per year to maintain golf courses	$ 4,600	$ 4,800	$ 5,150	$ 5,342	$ 5,158	$ 4,700	$ 4,200	$ 4,200	$ 4,200	$ [8]
Building permits										
Building permits issued	13,171	9,294	9,109	7,272	5,580	5,023	5,510	5,348	6,211	6,846
Average number of monthly building inspections performed	10,618	11,171	8,171	5,351	3,363	2,348	2,190	2,750	2,748	3,115

(Continued)

CITY OF RENO

OPERATING INDICATORS BY FUNCTION/PROGRAM[1] (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

1. Source - Various City of Reno departments
2. Fire Inspection Figures are a lot higher due to implementation of new tracking through Fire
3. Traffic violation information -- PD information provided by the department statistician Steve Bigham
4. FY 2009/10 Fire Inspection totals now only include actual buildings inspected
5. FY 2009/10 Senior Programming figures now include participation at the Neil Rd facility
6. FY 2008/09 RDA figures no longer available due to loss of staff and economic changes or measure no longer tracked
7. New measure added FY 2011/12
8. FY 13-14-Rosewood Lakes Golf Course no longer operated/maintained by the City of Reno
9. In FY 10-11 the City's Community Devpt Division assumed the tracking of housing statistics as Affordable House initiatives are regional programs. For FY 13-14 all projects were in Sparks.

CITY OF RENO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM[1]
LAST TEN FISCAL YEARS
(UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Function/program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	3	4	4	4	3	1	1	1	2	2
Patrol units [2]		220	254	252	252	248	239	242	243	250
Fire										
Stations	16	16	12	13	13	13	13	14	14	13
Fire fighting vehicles [4]	35	36	54	59	41	37	36	36	36	29
Public works										
Paved streets (miles)	579	582	582	637	671	672	681	681	681	687
Unpaved streets (miles)	2	2	2	4	1	1	1	1	1	1
Culture and recreation										
Acreage	1,935	2,015	2,015	2,076	2,477	2,732	2,741	2,741	2,741	2,741
Park facilities	75	82	81	83	85	85	85	85	85	85
Playgrounds	51	51	70	52	51	51	51	51	51	51
Swimming pools	5	5	5	5	5	5	5	5	4	4
Sanitary sewer										
Sanitary sewer lines (miles)	696	716	710	743	743	748	756	756	756	751
Storm drains (miles)	394	404	382	444	444	444	481	481	481	528
Treatment capacity millions of gallons)	41	41	41	41	44	44	44	44	44	44
Golf courses [3]	2	2	1	1	1	1	1	1	1	

1. Source - City of Reno, Finance Department, Budget Division and City of Reno Adopted Budget Book
2. Count for prior years not readily available-Number from PD Supply Access Database
3. Brookside Golf Course closed October 1, 2006; beginning May 1, 2014, Rosewood Lakes is operated/maintained by- First Tee/Duncan Group
4. 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-FY 2010 4 vehicles went to auction per Fire Dept-Fleet maintenance. FY 2014 Fire Vehicles difference from previous years due to including emergency vehicles and HAZMAT vehicles as well.

BUSINESS LICENSE FEES

CITY OF RENO

SCHEDULE OF BUSINESS LICENSE FEES

FOR THE YEAR ENDED JUNE 30, 2014

As required by Nevada Revised Statues (NRS) 354.624, Section 4(a), all fees imposed by a local government are subject to the provisions of NRS 354.5989. A local government may adopt new business license fees only if the revenue from the fees is less than the prescribed calculated maximum.

FEES CALCULATED AS A PERCENTAGE OF GROSS REVENUE

Business license revenue for the year ended June 30, 2014			$ 12,255,450
Business license revenue for the year ended June 30, 2013 (base year)		$ 11,794,886	
Adjustment to base year			
Percentage change in Consumer Price Index		1.50 %	
Total adjustment to base year		176,923	
Adjusted business license revenue base for the year ended June 30, 2014			11,971,809
Amount over allowable maximum			$ 283,641

FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2014			$ 3,993,068
Business license revenue for the year ended June 30, 2013 (base year)		$ 11,299,771	
Adjustment to base year			
Percentage change in local government population	1.00 %		
Percentage change in Consumer Price Index	1.50 %		
		2.50 %	
Total adjustment to base year		282,494	
Adjusted business license revenue base for the year ended June 30, 2014			11,582,265
Amount under allowable maximum			$ (7,589,197)

Single Audit Information

P B T K
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Honorable Mayor and Members of the City Council
City of Reno, Nevada

We have audited the compliance of the City of Reno (the City) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2014. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility. The City's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility. Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program. In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2014.

Other Matters. The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014 - 002. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance. The City's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014 - 002 and 2014 - 003 that we consider to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133. 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 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 24, 2014, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
November 24, 2014

CITY OF RENO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
U.S Department of Agriculture			
Passed through State of Nevada, Department of Education, Office of Children Nutrition and School Health			
Child Nutrition Cluster			
Summer Food Service Program for Children	10.559		$ 35,693
Passed through State of Nevada, Department of Administration			
Senior Farmers Market Nutrition Program	10.576		21,000
Total U.S Department of Agriculture			56,693
U.S. Department of Housing and Urban Development			
Emergency Solutions Grant Program	14.231		197,731
Supportive Housing Program	14.235		180,047
Home Investment Partnerships Program	14.239*		1,010,437
CDBG Entitlement Grants Cluster			
Community Development Block Grants / Entitlement Grants	14.218*		2,600,510
Community Development Block Grants / Entitlement Grants Neighborhood Stabilization Program 3	14.218*		850,893
Passed through Nevada State Housing Division			
Emergency Solutions Grant Program	14.231	E13-DC-32-0001	165,675
Home Investment Partnerships Program	14.239*		1,693,995
CDBG Entitlement Grants Cluster			
Community Development Block Grants / Entitlement Grants Neighborhood Stabilization Program 1	14.218*		448,533
Total U.S. Department of Housing and Urban Development			7,147,821
U.S. Department of the Interior			
Providing Water to At-Risk Natural Desert Terminal Lakes	15.508		135,542
Passed through Nevada State Historic Preservation Office			
Historic Preservation Fund Grants-In-Aid	15.904	32-12-41935(4)	24,950
Historic Preservation Fund Grants-In-Aid	15.904	32-13-51935(4)	7,000
Historic Preservation Fund Grants-In-Aid	15.904	32-13-51935(5)	9,995
Total U.S. Department of the Interior			177,487
U.S. Department of Justice			
Edward Byrne Memorial Competitive Grant Program	16.751		122,564
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		8,612
Edward Byrne Memorial Justice Assistance Grant Program	16.738		60,281
Edward Byrne Memorial Justice Assistance Grant Program	16.738		63,311
Edward Byrne Memorial Justice Assistance Grant Program	16.738		80,366
Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance			
Project Safe Neighborhoods	16.609	11-PSN-04	10,039
PREA Program: Demonstration Projects to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities	16.735		31,750
PREA Program: Demonstration Projects to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities	16.735	12-JAG-023	35,000
Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program (ARRA)	16.810	09-RLE-03	398,934

(Continued)

CITY OF RENO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
Passed through Nevada Department of Health and Human Services, Division of Child and Family Services			
Crime Victim Assistance	16.575	VOCA13-089	57,384
Passed through Nevada Juvenile Justice Commission, Division of Child and Family Services			
Enforcing Underage Drinking Laws Program	16.727	2011-AH-FX-0010	9,877
Total U.S. Department of Justice			878,118
U.S. Department of Transportation			
National Motor Carrier Safety	20.218		97,549
National Motor Carrier Safety	20.218		84,132
Passed through Nevada Department of Public Safety, Office of Traffic Safety			
Highway Safety Cluster			
State and Community Highway Safety	20.600	JF-2013-RPD-00054	17,266
State and Community Highway Safety	20.600	JF-2014-RPD-00056	81,657
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	TS-2013-RPD-00041	17,608
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	TS-2013-RPD-00106	10,028
Passed through Nevada Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	PR263-10-063	530,450
Passed through Nevada State Emergency Response Commission			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	13-HMEP-16-01	41,929
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	14-HMEP-16-02	3,370
Total U.S. Department of Transportation			883,989
U.S. Department of Veterans Affairs			
Passed through U.S. Paralympics			
VA Assistance to United States Paralympic Integrated Adaptive Sports Program	64.034		13,515
Total U.S. Department of Veterans Affairs			13,515
U.S. Environmental Protection Agency			
Passed through Nevada Division of Environmental Protection			
Nonpoint Source Implementation Grants	66.460	DEP-S 12-024	10,077
Total U.S. Environmental Protection Agency			10,077
U.S. Department of Health and Human Services			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		220,967
Passed through Nevada Juvenile Justice Commission Division of Child and Family Services			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	SP019197	20,973

(Continued)

CITY OF RENO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
Total U.S. Department of Health and Human Services			241,940
U.S. Department of Homeland Security			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083*		6,280,050
Assistance to Firefighters Grant	97.044		76,940
Assistance to Firefighters Grant	97.044		181,063
Assistance to Firefighters Grant	97.044		27,137
Passed through State of Nevada Department of Public Safety, Division of Emergency Management			
Pre-Disaster Mitigation	97.047	97047R8	1,054
Homeland Security Grant Program	97.067	97067HL0	41,000
Homeland Security Grant Program	97.067	97067.12-HL12	8,280
Homeland Security Grant Program	97.067	97067-HL1	4,500
Passed through United Way			
Emergency Food and Shelter National Board Program	97.024		83,902
Total U.S. Department of Homeland Security			6,703,926
Total federal expenditures			$ 16,113,566

* A major program

CITY OF RENO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

Note 1. Reporting Entity

The accompanying supplementary schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the City of Reno (the City). The reporting entity is defined in Note 1 to the basic financial statements. The schedule includes federal financial assistance received directly from federal agencies as well as passed through other government agencies.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City. Expenditures passed through to subrecipients are presented on the cash basis of accounting and all other expenditures are presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (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.

Note 3. Subrecipients

During the year ended June 30, 2014, the following awards (including amendments) were given to subrecipients:

Federal CFDA Number	Program Title	Award Amount
14.218	Community Development Block Grants – Entitlement Grants	$ 486,969
14.231	Emergency Shelter Grants	178,024
16.738	Edward Byrne Memorial Justice Assistance Grant	120,421
16.735	Protecting Inmates & Safeguarding Communities Discretionary Grant – State of Nevada	8,251
20.218	National Motor Carrier Safety High Priority Enforcement Grant	53,269
		$ 846,934

Note 4. Outstanding Loan Balances

Certain loan programs are administered directly by the City and balances and transactions relating to these programs are included in the City's basic financial statements as notes receivable.

Expenditures of loaned funds and loans made during the year are included in federal expenditures.

At June 30, 2014, outstanding loan balances were as follows:

Federal CFDA Number	Program Title	Loan Balance Receivable
14.218	Community Development Block Grants/Entitlement Grants	$ 958,549
14.239	Home Investment Partnerships Program Grant	30,773,415
		$ 31,731,964

CITY OF RENO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section I - Summary of Auditors' Results

Financial Statements	
Type of auditors' report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	Yes
Noncompliance material to financial statements	No
Federal Awards	
Internal control over major programs	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	Yes
Type of auditors' report issued on compliance for major programs	Unmodified
Audit findings required to be reported in accordance with Circular A-133, Section .510(a)	Yes
Identification of major programs	
CFDA number	14.218
Name of federal program or cluster	Community Development Block Grants/Entitlement Grants
CFDA number	14.239
Name of federal program or cluster	Home Investment Partnerships Program
CFDA number	97.083
Name of federal program or cluster	Staffing for Adequate Fire and Emergency Response (SAFER)
Dollar threshold used to distinguish between Type A and Type B programs	$483,407
Auditee qualified as low-risk auditee	No

(Continued)

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*

2014 - 001

Criteria	Controls shall be designed to provide reasonable assurance that internal balances are properly accounted for and that closeout or transfers of funds are recorded in the fiscal year the events occur.
Condition	An adjustment was necessary to correct balances related to the close out of the Animal Shelter fund and the transfer of the Golf Course fund.
Effect	Adjustments were necessary to correct balances in the current year for transactions that occurred in the prior year.
Cause	Timely reconciliation and review of internal balances were not performed and when completed revealed an overstatement of the balances.
Recommendation	Management should ensure that proper reconciliation and review occurs to provide reasonable assurance that internal balances are properly accounted for and disclosed in the basic financial statements.
Management's response	Management informed us that a reconciliation worksheet to track internal balances by enterprise fund has been developed, which is how the condition requiring the correction was detected. This worksheet will be used going forward to ensure only active enterprise funds are accounted for in the future.

(Continued)

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)

2014 - 002

Program	Community Development Block Grants/Entitlement Grants (CFDA #14.218), HOME Investment Partnership Program (CFDA #14.239)
Specific requirements	Supervisory review of grant specific activities (i.e., cash management, earmarking, reporting, etc.) to ensure compliance with the terms of the award.
Condition and context	An overall lack of supervision over the grant administrators was noted as reliance is being placed on the grantor to communicate deficiencies and enforce the requirements of the award. Specifically, it was noted that the quarterly federal financial reports for the Community Development Block Grants/Entitlement Grants were not submitted during fiscal year 2014 because the federal agency stopped requesting the reports each quarter. It was also noted that reliance is placed on grantor system generated reports to provide evidence of earmarking requirements however, not all the requirements are addressed on such reports specifically when amounts are awarded by a pass-through entity. Additionally, the annual performance report for the HOME Investment Partnership Program was incorrectly dated for the previous fiscal year and included incorrect amounts related to program income.
Questioned costs	None.
Effect	The federal financial reports and the annual performance report were not submitted timely to the federal agency. Additionally, compliance with earmarking requirements do not appear to be tracked by the grant administrators.
Cause	Lack of oversight over those responsible for grant administration.
Recommendation	Management should designate a person with the requisite skills and knowledge to oversee the grant administrators and adopt, implement and monitor compliance with policies and procedures designed to provide reasonable assurance that all applicable federal grant requirements are appropriately applied and complied with. In addition, resources should be made available to provide appropriate training and other resources to those delegated with the primary responsibility for compliance with federal grant requirements.
Management's response	Management informed us that the City has combined the management of the Community Resources Division and the Planning Division to form the Planning and Housing Division within the Community Development Department. The Planning and Housing Manager has direct supervision over the functions of these programs. In addition, the City has allocated funds to hire in November of 2014 a senior planner to be the program manager over the CDBG and HOME programs. The qualifications of this position will include federal grant compliance, program development such as the Consolidated Plan, and management and leadership qualities. The senior planner will also oversee the federal reporting process performed by the management analysis staff.

(Continued)

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2014 - 003

Program	Community Development Block Grants/Entitlement Grants (CFDA #14.218), Assistance to Fire Fighters Grant (CFDA #97.044)
Specific requirements	Agencies shall establish procedures for the effective use of the List of Parties Excluded from Federal Procurement or Nonprocurement programs to assure that they do not award assistance to listed parties in violation of the Executive Order. Agencies shall also establish procedures to provide for effective use and/or dissemination of the list to assure that their grantees and subgrantees (including contractors) at any tier do not make awards in violation of the nonprocurement debarment and suspension common rule.
Condition and context	The current procurement policy does not include procedures to prevent contracting with or making transactions with parties that are suspended or debarred or whose principals are suspended or debarred.
Questioned costs	None.
Effect	The organization could enter into transactions with debarred or suspended parties resulting in questioned costs.
Cause	Formal policies and procedures have not been established indicating the parties responsible for verifying and documenting that a vendor or its principals are not suspended or debarred.
Recommendation	Management should establish procedures addressing suspension and debarment of vendors which include (1) review of the excluded party listing at https://www.sam.gov/portal/public/SAM/ to prevent contracting with or making transactions with parties that are suspended or debarred, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).
Management's response	Management informed us that correspondence was sent out to all departments that accepts grants reminding them of the requirement to determine if a vendor has been suspended or debarred. In addition, staff in the Finance Department, the Office of Management and Budget, and the City Manager's Office are collectively working on the creation of a new grants procedure that will be provided to all departments to promote consistency among all the departments, which will include suspension and debarment searches.

CITY OF RENO

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*

2013 - 001

Criteria	Controls are designed to provide effective oversight and monitoring of policies and procedures to provide reasonable assurance that contributed capital assets transaction are communicated timely, appropriately recognized/valued and reviewed and the basic financial statements accurately presented, free of material errors, using the appropriate basis of accounting.
Condition	Proper evaluation was not performed by the finance department to determine that documentation provided by other departments to record contributed capital assets (streets and sewer related) was complete and accurate.
Effect	Significant audit adjustments were necessary to correct contributed capital assets, accumulated depreciation and net position balances related to valuation and completeness of contributed capital assets.
Cause	Ineffective oversight and monitoring of policies and procedures.
Current status	Corrected. The City has implemented procedures to ensure that receipt of donated assets are communicated to the finance department including an independent verification by the finance department of the value of donated assets.

(Continued)

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2013 - 002

Criteria	Controls shall be designed to provide reasonable assurance that property tax revenues are properly classified, accounted for, and disclosed in the basic financial statements.
Condition	Proper evaluation was not performed by the finance department of treatment of property tax related settlement agreement.
Effect	Significant audit adjustment was necessary to record effects of a property tax related settlement to property tax receivables, due to and from other funds, revenues, and deferred revenues.
Cause	Ineffective oversight and monitoring of policies and procedures resulting from time constraints on management.
Current status	Corrected. The City has implemented procedures to ensure proper recording of revenues and has created a spreadsheet to track and reconcile monthly activity related to current year collections and collection of delinquent property taxes. In addition, a formal reconciliation between records from Washoe County and the City’s records is performed at year end.

(Continued)

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)

2013 - 003

Program	Recovery Act Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program (CFDA #16.810)
Specific requirements	The Schedule of Expenditures of Federal Awards shall be complete and accurate, with all ARRA expenditures properly identified.
Condition and context	The Schedule of Expenditures of Federal Awards did not identify that the expenditures of one program were ARRA-funded.
Questioned costs	None.
Effect	The Schedule of Expenditures of Federal Awards was not complete and accurate, with all ARRA expenditures properly identified.
Cause	Supervisory reviews were not performed by persons possessing appropriate knowledge, skills, and abilities.
Current status	Corrected. The City has implemented procedures which provides for an independent review of the Schedule of Expenditures of Federal Awards by the finance department to ensure completeness and accuracy.

(Continued)

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 004

Program	Providing Water to At-Risk Natural Desert Terminal Lakes (CFDA #15.508)
Specific requirements	Financial reports are complete and accurate, are prepared in accordance with the required accounting basis, and are submitted timely to the federal agency.
Condition and context	One Federal Financial Report was submitted 15 days beyond its respective deadline and two Federal Financial Reports reported inaccurate expenditures.
Questioned costs	None.
Effect	Financial reports were not submitted timely to the federal agency and reported inaccurate expenditures.
Cause	Supervisory reviews were not performed by persons possessing appropriate knowledge, skills, and abilities.
Current status	Corrected. The City has implemented procedures that include an independent review of amounts reported on the federal financial reports by the finance department. In addition, the finance department reminded the grant administrators of the importance of filing reports timely.

(Continued)

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 005

Program	Homeland Security Grant Program (CFDA #97.067) and Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program (ARRA) (CFDA #16.810)
Specific requirements	Review the procedures for verifying that an entity with which it plans to enter into a covered transaction and any of its principals is not debarred, suspended, or otherwise excluded.
Condition and context	The client was unable to provide documentation that demonstrated that a review of the entity with which it did business was not on the excluded parties list prior to entering into any transactions.
Questioned costs	None.
Effect	Without a review of the excluded parties list, vendors which are debarred or excluded could potentially be selected as recipients of grant funds.
Cause	Documentation confirming the review of the vendor used for grant expenditures was not maintained by the client.
Current status	Not corrected. See current year finding number 2014-003.