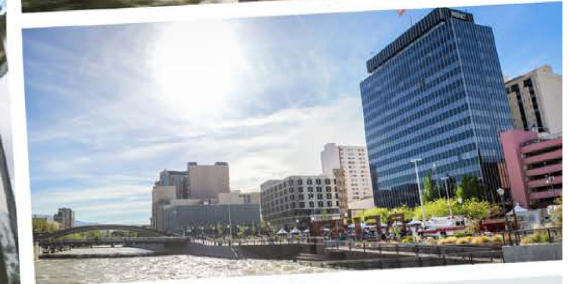
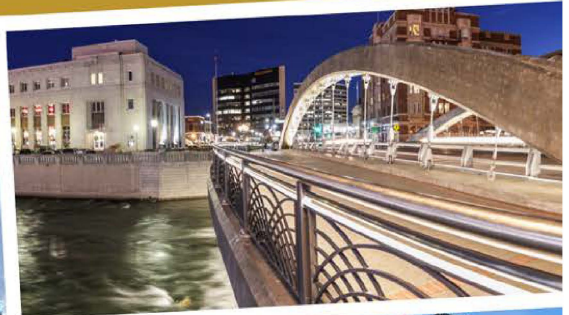




City of Reno, Nevada

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended  
June 30, 2019





**CITY OF RENO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2019**

**STATE OF NEVADA**

**PREPARED BY  
FINANCE DEPARTMENT  
DEBORAH LAUCHNER  
FINANCE DIRECTOR**



**CITY OF RENO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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**FOR THE YEAR ENDED JUNE 30, 2019**

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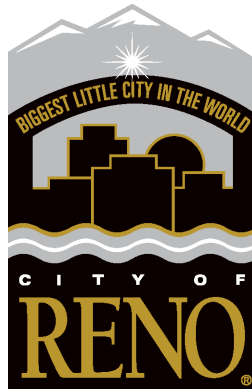
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# **INTRODUCTORY SECTION**





November 27, 2019

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, 2019 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. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Reno has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Reno's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Reno's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Reno's financial statements have been audited by 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 of Reno for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Reno's financial statements for fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and the two documents should be read in conjunction. The City of Reno'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 of Reno; therefore, the activities of the Agency are included in this report. The Housing Authority of the City of Reno is a related organization of the City of Reno but not a component unit because the City’s accountability does not extend beyond the appointment of board members.

The City of Reno maintains budgetary controls 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 residents 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, must be held by the governing body not sooner than the third Monday in May and not later than the last day in May. The City Council adopts the budget prior to June 1st and submits it to the Department of Taxation for final approval no later than June 1st.

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 reappropriated as part of the following year’s first budget augmentation.

## **Local Economic Conditions**

The region’s economy has long relied on consumption-related activities such as construction, tourism, and gaming, and the area, known as Truckee Meadows, offers an extensive array of hospitality and casino options as well as vast recreational opportunities.

Reno and Washoe County have rebounded from the most recent global recession. In the Reno Sparks region, September’s unemployment count stood at 2.9%, which is down from the September 2018 rate of 3.4%. Nevada had an unemployment rate of 4.1%, exceeding the national average by 0.6% in September 2019.

The median price of residential properties sold in Reno, NV increased during 2019. City of Reno home values have gone up 3.6% over the past year, with the September 2019 median home value at \$404,975.

In fiscal year 2018-19, property taxes increased 5.8% and for fiscal year 2019/20, the City budgeted for property taxes to

increase 6%. The Washoe County Assessor anticipates property taxes will continue to rise, though at a modest pace, and the City will most likely be consistent with the Washoe County Assessor's assumption. Due to the formula in Nevada Revised Statutes, there is a cap on the increase allowed in property taxes except for taxes generated by new construction. For fiscal year 2019/20, the increase is estimated to be 3% for existing properties and the remainder due to growth.

After the recession and years of declines in consolidated tax (CTAX) revenues, the City continues to have steady increases in CTAX. Fiscal years 2010/11 through 2018/19 reflect those increases, from 1.20% in FY 2010/11 up to 9.0% in FY 2017/18. For FY 2018/19 the increase was 4.7%. The City has seen this major revenue source stabilize and hopefully will not experience such sharp declines in the future. For fiscal year 2019/20, the City has budgeted a 5.5% increase over the prior fiscal year budgeted amount.

The State of Nevada, Washoe County and City of Reno continue to focus efforts in diversifying the economy. Calendar Year 2019 continued the recent trend of robust economic development within the Truckee Meadows region. Economic Development Authority of Western Nevada reported 11 new primary industry businesses locating within the City of Reno, six of which are in the downtown area, and eight new corporate headquarters. In addition, the unemployment rate is currently 3.6% - well below the "full employment" metric of 4%.

There continues to be major business expansions into the Reno area. The Economic Development Association of Western Nevada (EDAWN) reports that in FY 2018/19, 2036 new jobs were created in the region, with an average annual wage of \$72,788. Furthermore, 22 companies relocated to or were founded in the region, of which 11 came to Reno - and six of the 11 located in downtown Reno. Lastly, 18 new company headquarters were constructed or relocated to the region, eight of which are in the City of Reno. Total capital expenditures for business expansions were estimated at \$236.71 million.

The State Business Tax Climate Index for 2020, which is published by the Tax Foundation, ranked Nevada as 7th in the nation for its business friendly tax climate, up from 9th in 2018. 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. The Reno-Sparks Convention & Visitors Authority reported a 5.4% decrease in combined room revenue, after an increase of 3.7% the previous year. It is not known if the decrease is due to an increase in unreported home sharing business type revenue or an actual decline in visitor stays.

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 so hot. Cloudy days and rain are scarce with more than 250 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.

Though economic recovery continues, City management continues to take a very aggressive stance on controlling expenses given uncertainty regarding future revenues. Since the work force reductions in 2009 which reduced the number of budgeted full-time equivalent positions (FTEs) by over 500, the City has been managing its employee growth and for FY 2019/20, has authorized 1,271 FTEs, with most of the recent job growth in Public Safety and Public Works. Restructuring has occurred at all levels in the organization to promote efficiencies in operations and service delivery, and additional opportunities are constantly being identified and analyzed. The City has continued using the Position Review Committee to review all vacancies prior to recruitment to determine if there are opportunities to restructure or provide the service differently.

### **Long-Term Financial Planning**

With the continued effect of Indian gaming in California and other economic factors that affect gaming in northern Nevada, efforts to diversify Reno's economy by bringing new industries to the area continue to be an important goal. 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 (EDAWN) to recruit companies with high paying jobs in targeted industries, such as renewable energy and technology, 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 a desirable location for corporate headquarters, manufacturing, and logistics facilities in a number of high tech and service industries.

In order to position the City to successfully weather another 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 measures mentioned above, staff has developed a ten-year financial forecast to be able to better project future resource needs, identify areas of concern and adjust operating programs to meet available resources.

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 sixty services provided through interlocal agreements or as shared services.

Lastly, the management team has begun deploying different tactics designed to increase efficiency and effectiveness, including updated policies, process improvement initiatives and increased transparency.

### **Relevant Financial Policies**

**Rainy Day Reserves** — In compliance with state law, the General Fund Financial Policy requires unreserved fund balance to be budgeted at 4% of prior year expenditures, which was included in the fiscal year 2018-19 adopted budget. The City is in compliance with this requirement and has budgeted for an ending fund balance of 11% for fiscal year 2019/20. In fiscal year 2014-15, the City committed \$2.1 million of consolidated tax revenues to begin funding a Stabilization Special Revenue Fund. The balance for fiscal year 2018/19 is approximately \$2.9 million. The goal is to reach \$18 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. In addition, the City has funded a Contingency Account in the General Fund in the amount of \$1,500,000 for fiscal year 2019/20 to further fund unavoidable circumstances.

**OPEB Funding** — The City's past practice of funding primarily pay as you go costs rather than the full annual other post employment benefit (OPEB) costs has resulted in continued growth in the City's net liability. The City does not have the resources, at this time, needed to fully fund the annual OPEB expense, including interest on the liability, but has created an OPEB trust so amounts may be put aside to fund this growing liability. Through the adoption of the Budget Guiding Principles, Council has begun a funding program through the allocation of a portion of excess property taxes to the OPEB trust. For the year ended June 30, 2019, the City transferred approximately \$989,000 to the trust.

**Risk Management** – The City has implemented a rigorous risk management program to help control its exposure to potential claims and thus reduce its costs. In 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." For fiscal year 2019/20, the City added a Risk Manager position to further implement recommendations and pursue a more rigorous program to mitigate and manage risks for the City organization.

### **Major Initiatives**

Most of the efforts during fiscal year 2018/19 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 and Finance 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 continues to be focused on managing the City's debt portfolio given the weakness in certain pledged revenues. A key emphasis was on making changes that would support long term stability. The City was able to restructure the 2005 Capital Improvement Bonds, thus eliminating the last swap derivative instrument in the city's portfolio, the letter of credit and associated fees, remarketing fees and the swap termination fee. This restructure is key to paying down this long term obligation and decreasing the use of the CTAX pledged revenue. The restructure allows for primary pledged revenues to pay debt service requirements without the need to tap into the secondary pledged revenue of CTAX.

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. The City continues to build upon the Council initiative of re-visioning 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 designed to make Reno the type of community its residents and visitors desire. The following Council Priorities for fiscal year 2018/19 address structural deficits that could hinder progress in carrying out these initiatives: identify new revenues; work with regional partners on interlocal revenue-sharing solutions; lobby for property tax restructuring; increase affordable housing; make progress on homelessness; implement a Homeless Master Plan; and implement the sewer plan and address sewer capacity.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Reno for its comprehensive annual financial report for the fiscal year ended June 30, 2018.

This was the 36th consecutive year that the City of Reno 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 of Reno, preparation of this report would not have been possible.

Respectfully submitted,



Deborah Lauchner  
Finance Director



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, 2018**

*Christopher P. Morrill*

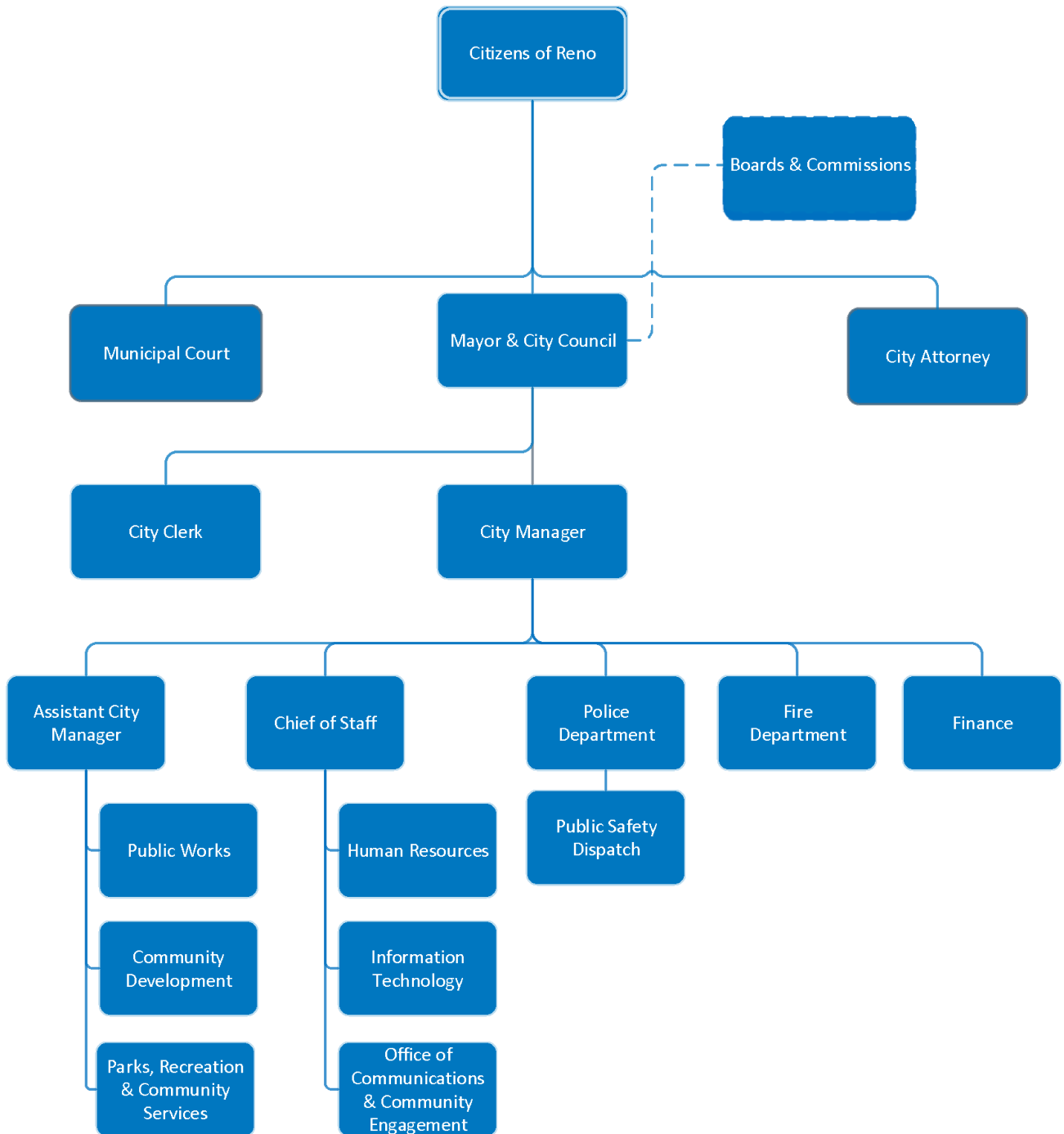
Executive Director/CEO

# CITY OF RENO

## ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2019

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# **CITY OF RENO**

## **CITY OFFICIALS**

**FOR THE YEAR ENDED JUNE 30, 2019**

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### **CITY COUNCIL**

Hillary Schieve, Mayor  
Jenny Brekhus, Councilmember, Ward 1  
Naomi Duerr, Councilmember, Ward 2  
Oscar Delgado, Councilmember, Ward 3  
Bonnie Weber, Councilmember, Ward 4  
Neoma Jardon, Councilmember, Ward 5  
Devon Reese, Councilmember, At Large

### **CITY MANAGER**

Sabra Newby

### **OTHER ELECTED OFFICIALS**

Karl Hall, City Attorney  
Gene Drakulich, Judge, Dept. 1  
Shelly O'Neill, Judge, Dept. 2  
Dorothy Nash Holmes, Judge, Dept. 3  
Tammy Riggs, Judge, Dept. 4

### **CITY CLERK**

(Appointed by the City Council)

Ashley Turney

### **CITY MANAGEMENT**

(Appointed by the City Manager)

William Thomas, Assistant City Manager  
Arlo Stockham, Community Development Director  
Deborah Lauchner, Finance Director  
David Cochran, Fire Chief  
Mark Gregersen, Human Resources Director  
Jason Soto, Police Chief  
John Flansberg, Public Works Director  
Jaime Schroeder, Interim Parks, Recreation & Community Services Director  
Rebecca Venis, Communication and Community Engagement Director  
Rishma Khimji, Information Technology Director  
Steve Tuttle, Municipal Court Administrator (Appointed by Judges)

# **FINANCIAL SECTION**



## **INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

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, 2019 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 June 30, 2019, 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, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 3-14 and 63-64 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 27, 2019, 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.



Reno, Nevada  
November 27, 2019

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**



# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

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

#### Summary of Selected Statement of Net Position Information

	Total Primary Government			
	2019	2018	Change	
Cash, cash equivalents and investments, unrestricted and restricted	\$ 293,957,413	\$ 247,646,554	\$ 46,310,859	18.70 %
Truckee Meadows Water Reclamation Facility	91,275,986	92,979,554	(1,703,568)	(1.83)%
Capital assets, net	1,284,749,803	1,254,583,046	30,166,757	2.40 %
Derivative instruments		6,572,741	(6,572,741)	(100.00)%
Bonds and notes payable, net of unamortized premiums and discounts	502,042,845	507,292,756	(5,249,911)	(1.03)%
Net pension liability	246,999,277	248,083,384	(1,084,107)	(0.44)%
Total net position	661,684,997	588,421,015	73,263,982	12.45 %

The increase experienced in the City's net position was largely the result of the dedication of the Southeast Connector, a new roadway in Reno that runs from east Sparks to south Reno. The Southeast Connector was built to relieve the east-west traffic on I-80 and north-south traffic on Highway 395 to the east and south of the interchange at a cost of approximately \$38.2 million.

The City's investment in the Truckee Meadows Water Reclamation Facility decreased slightly due to new capital contributions being less than depreciation realized during the year.

The City undertook a major restructuring of the 2005A and 2005B Capital Improvement Refunding Bonds, which resulted in converting the 2005A bonds from variable to fixed rate, removing the swap derivative, and better aligning future debt service with anticipated revenues, thus decreasing the City's use of consolidated taxes for future debt service. The restructuring also resulted in the partial advance refunding of the 2005C Capital Improvement Refunding Bonds, which will save the City almost \$15 million in interest costs. The elimination of the \$6.6 million swap derivative on the 2005A Capital Improvement Refunding Bonds also resulted in the elimination of the deferred outflow related to the derivative.

The City made two changes to assumptions related to the roll forward of the June 30, 2017 actuarial valuation for other post-employment benefits other than pensions (OPEB): 1) the underlying municipal bond index was changed from S&P to Bond Buyer and the discount rate was updated to the rate as of the current measurement date; and 2) the assumed base year for the mortality rates used was revised to the mortality rates and base year applied by the Nevada Public Employees Retirement System (PERS). The combined effect of these changes was a \$4.4 million decrease in the OPEB liability, which when combined with other components, kept the net increase in the total OPEB liability to only \$1.6 million. The \$4.4 million assumption change also reduced deferred balances related to OPEB.

Deferred balances related to pensions were relatively unchanged. In accordance with generally accepted accounting principle, the City records its proportionate share of PERS' unfunded liability and related amounts, even though Nevada Revised Statutes state that the City is not liable for such amounts.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### Summary of Selected Statement of Activities Information

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	Total Primary Government			
	2019	2018	Change	
Charges for services	\$ 171,591,667	\$ 163,250,886	\$ 8,340,781	5.11 %
Property taxes	70,869,469	67,914,073	2,955,396	4.35 %
Total expenses	368,869,119	387,850,935	(18,981,816)	(4.89)%
Change in net position	73,263,982	(1,463,197)	74,727,179	(5,107.12)%

Property tax collections continued to increase due to new construction and the continued rebounding of property values although growth in assessed values is limited by caps established in 2005 by Nevada's State Legislature. Increases in state sales tax revenues associated with increased consumer spending substantially accounts for the increase in intergovernmental consolidated taxes. Revenues for various charges for services categories increased due to an improving economy and scheduled sewer service rate increases. Interest earnings also saw a large increase, reflective of the revised investment strategy that included hiring a new investment advisor.

### **Financial Overview**

The basic financial statements of the City are comprised of government-wide financial statements, fund financial statements, and notes to the basic 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 net 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 that are intended to recover all or a significant portion of costs through user fees and charges, as is the case with business-type activities. 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 include sewer 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.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### 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 22 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 four (4) funds because they qualify as major funds under the GASB 34 definition: General Fund, Street Special Revenue Fund, City of Reno Debt Service Fund, and the Events Center Debt Service Fund. Information for the remaining funds, which did not meet the definition of a major fund, is aggregated for reporting purposes.

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

### 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 funds. Internal service funds are used to account for and allocate internal costs to the various City functions. The internal service funds include the motor vehicle, risk retention, self-funded medical plan, and self-funded workers compensation funds. The City's internal service fund functions primarily benefit governmental as opposed to business-type activities. Consequently, they have been included in governmental activities in 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 basic financial statement section of this report.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

### 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 summarized statements of net position information are presented in the following table.

Summary Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets						
Current, restricted and other	\$ 217,812,666	\$ 202,529,106	\$ 232,310,157	\$ 202,244,071	\$ 450,122,823	\$ 404,773,177
Capital	<u>914,649,987</u>	<u>896,543,564</u>	<u>370,099,816</u>	<u>358,039,482</u>	<u>1,284,749,803</u>	<u>1,254,583,046</u>
Total assets	<u>1,132,462,653</u>	<u>1,099,072,670</u>	<u>602,409,973</u>	<u>560,283,553</u>	<u>1,734,872,626</u>	<u>1,659,356,223</u>
Deferred outflows of resources	<u>63,342,283</u>	<u>72,423,175</u>	<u>3,688,094</u>	<u>3,836,535</u>	<u>67,030,377</u>	<u>76,259,710</u>
Liabilities						
Current	21,876,429	28,128,989	11,619,274	7,628,502	33,495,703	35,757,491
Long-term	<u>1,006,390,207</u>	<u>1,005,987,136</u>	<u>75,018,270</u>	<u>80,192,521</u>	<u>1,081,408,477</u>	<u>1,086,179,657</u>
Total liabilities	<u>1,028,266,636</u>	<u>1,034,116,125</u>	<u>86,637,544</u>	<u>87,821,023</u>	<u>1,114,904,180</u>	<u>1,121,937,148</u>
Deferred inflows of resources	<u>23,412,731</u>	<u>23,356,455</u>	<u>1,901,095</u>	<u>1,901,315</u>	<u>25,313,826</u>	<u>25,257,770</u>
Net position						
Net investment in capital assets	517,184,024	495,954,317	322,228,682	304,619,062	839,412,706	800,573,379
Restricted	85,416,143	84,631,336	20,477,340	15,117,358	105,893,483	99,748,694
Unrestricted	<u>(458,474,598)</u>	<u>(466,562,388)</u>	<u>174,853,406</u>	<u>154,661,330</u>	<u>(283,621,192)</u>	<u>(311,901,058)</u>
Total net position	<u>\$ 144,125,569</u>	<u>\$ 114,023,265</u>	<u>\$ 517,559,428</u>	<u>\$ 474,397,750</u>	<u>\$ 661,684,997</u>	<u>\$ 588,421,015</u>

Summary Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	Change		Change		Change	
Assets						
Current, restricted and other	\$ 15,283,560	7.55 %	\$ 30,066,086	14.87 %	\$ 45,349,646	11.20 %
Capital	<u>18,106,423</u>	<u>2.02 %</u>	<u>12,060,334</u>	<u>3.37 %</u>	<u>30,166,757</u>	<u>2.40 %</u>
Total assets	<u>33,389,983</u>	<u>3.04 %</u>	<u>42,126,420</u>	<u>7.52 %</u>	<u>75,516,403</u>	<u>4.55 %</u>
Deferred outflows of resources	<u>(9,080,892)</u>	<u>(12.54)%</u>	<u>(148,441)</u>	<u>(3.87)%</u>	<u>(9,229,333)</u>	<u>(12.10)%</u>
Liabilities						
Current	(6,252,560)	(22.23)%	3,990,772	52.31 %	(2,261,788)	(6.33)%
Long-term	<u>403,071</u>	<u>0.04 %</u>	<u>(5,174,251)</u>	<u>(6.45)%</u>	<u>(4,771,180)</u>	<u>(0.44)%</u>
Total liabilities	<u>(5,849,489)</u>	<u>(0.57)%</u>	<u>(1,183,479)</u>	<u>(1.35)%</u>	<u>(7,032,968)</u>	<u>(0.63)%</u>
Deferred inflows of resources	<u>56,276</u>	<u>0.24 %</u>	<u>(220)</u>	<u>(0.01)%</u>	<u>56,056</u>	<u>0.22 %</u>
Net position						
Net investment in capital assets	21,229,707	4.28 %	17,609,620	5.78 %	38,839,327	4.85 %
Restricted	784,807	0.93 %	5,359,982	35.46 %	6,144,789	6.16 %
Unrestricted	<u>8,087,790</u>	<u>1.73 %</u>	<u>20,192,076</u>	<u>13.06 %</u>	<u>28,279,866</u>	<u>(9.07)%</u>
Total net position	<u>\$ 30,102,304</u>	<u>26.40 %</u>	<u>\$ 43,161,678</u>	<u>9.10 %</u>	<u>\$ 73,263,982</u>	<u>12.45 %</u>

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### Governmental Activities

The increase in current assets was primarily in unrestricted cash, cash equivalents and investments and relates to an improving economy and operating results. Capital assets increased because contributed infrastructure exceeded depreciation for the year.

Deferred outflows of resources changed largely due the matters previously cited herein. More specifically, the decrease in the derivative instruments liability and offsetting decrease in deferred outflows of resources relates to the restructuring of the 2005A Capital Improvement Revenue Refunding Bonds. Also, the change in assumptions for the OPEB plan reduced the deferred outflows of resources by \$4.4 million.

Current liabilities declined 6.33% primarily due to the elimination of the swap derivative liability.

Long-term liabilities reflected very little change as the increase in outstanding revenue bonds related to the restructuring of the Series 2005 Capital Improvement Revenue Bonds were offset by the swap termination payment and reduction in long-term accrued interest payable.

### Business-type Activities

Total assets for the City's business-type activities increased by 7.52%. The increase in current, restricted and other assets is due to an increase in cash and investments and a reduction in the note receivable between the City and the City of Sparks.

Net capital assets increased due to the number of sewer line and lift station rehabilitation projects in various stages of completion, which exceeded the effect of depreciation and asset disposals during the fiscal year. Other assets include a majority ownership interest in the Truckee Meadow Water Reclamation Facility (Facility).

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

### Statement of Changes in Net Position

In order to enhance analysis and provide a means for evaluating the City's operating activities, comparative statement of changes in net position information is summarized in the following table.

Summary Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 89,634,449	\$ 85,601,102	\$ 81,957,218	\$ 77,649,784	\$ 171,591,667	\$ 163,250,886
Operating grants and contributions	11,141,118	8,577,398	2,016,429	2,107,002	13,157,547	10,684,400
Capital grants and contributions	58,129,633	27,242,197	18,823,851	15,084,733	76,953,484	42,326,930
General revenues						
Property taxes	70,869,469	67,914,073			70,869,469	67,914,073
Room taxes	11,353,561	11,251,668			11,353,561	11,251,668
Sales taxes restricted for debt service	12,021,468	11,839,077			12,021,468	11,839,077
Other sales taxes	1,247,683	940,212			1,247,683	940,212
Intergovernmental shared revenues, unrestricted	74,268,996	71,671,374			74,268,996	71,671,374
Investment income	5,797,725	2,142,261	3,676,463	775,338	9,474,188	2,917,599
Gain on disposal of capital assets	96,342	2,317,168			96,342	2,317,168
Miscellaneous	1,060,643	1,259,772	38,053	14,579	1,098,696	1,274,351
<b>Total revenues</b>	<b>335,621,087</b>	<b>290,756,302</b>	<b>106,512,014</b>	<b>95,631,436</b>	<b>442,133,101</b>	<b>386,387,738</b>
<b>Expenses</b>						
General government	43,077,447	41,281,443			43,077,447	41,281,443
Judicial	7,719,808	6,790,019			7,719,808	6,790,019
Public safety	135,931,879	140,378,971			135,931,879	140,378,971
Public works	52,539,862	54,783,301			52,539,862	54,783,301
Culture and recreation	16,968,478	15,812,351			16,968,478	15,812,351
Planning and community development	12,844,761	11,879,768			12,844,761	11,879,768
Urban development	5,188,558	14,091,779			5,188,558	14,091,779
Interest expense and fiscal charges	31,462,922	43,638,851			31,462,922	43,638,851
Sanitary sewer			55,576,663	51,557,336	55,576,663	51,557,336
Building permit			7,558,741	7,637,116	7,558,741	7,637,116
<b>Total expenses</b>	<b>305,733,715</b>	<b>328,656,483</b>	<b>63,135,404</b>	<b>59,194,452</b>	<b>368,869,119</b>	<b>387,850,935</b>
Change in net position before transfers	29,887,372	(37,900,181)	43,376,610	36,436,984	73,263,982	(1,463,197)
Transfers	214,932	846,396	(214,932)	(846,396)		
Change in net position	30,102,304	(37,053,785)	43,161,678	35,590,588	73,263,982	(1,463,197)
Net position, beginning of year, as adjusted	114,023,265	151,077,050	474,397,750	438,807,162	588,421,015	589,884,212
Net position, end of year	\$ 144,125,569	\$ 114,023,265	\$ 517,559,428	\$ 474,397,750	\$ 661,684,997	\$ 588,421,015

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

### Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	Change		Change		Change	
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 4,033,347	4.71 %	\$ 4,307,434	5.55 %	\$ 8,340,781	5.11 %
Operating grants and contributions	2,563,720	29.89 %	(90,573)	(4.30)%	2,473,147	23.15 %
Capital grants and contributions	30,887,436	113.38 %	3,739,118	24.79 %	34,626,554	81.81 %
General revenues						
Property taxes	2,955,396	4.35 %			2,955,396	4.35 %
Room taxes	101,893	0.91 %			101,893	0.91 %
Sales taxes restricted for debt service	182,391	1.54 %			182,391	1.54 %
Other sales taxes	307,471	32.70 %			307,471	32.70 %
Intergovernmental shared revenues, unrestricted	2,597,622	3.62 %			2,597,622	3.62 %
Investment income	3,655,464	170.64 %	2,901,125	374.18 %	6,556,589	224.73 %
Gain on disposal of capital assets	(2,220,826)	(95.84)%			(2,220,826)	(95.84)%
Miscellaneous	(199,129)	(15.81)%	23,474	161.01 %	(175,655)	(13.78)%
<b>Total revenues</b>	<b>44,864,785</b>	<b>15.43 %</b>	<b>10,880,578</b>	<b>11.38 %</b>	<b>55,745,363</b>	<b>14.43 %</b>
<b>Expenses</b>						
General government	1,796,004	4.35 %			1,796,004	4.35 %
Judicial	929,789	13.69 %			929,789	13.69 %
Public safety	(4,447,092)	(3.17)%			(4,447,092)	(3.17)%
Public works	(2,243,439)	(4.10)%			(2,243,439)	(4.10)%
Culture and recreation	1,156,127	7.31 %			1,156,127	7.31 %
Planning and community development	964,993	8.12 %			964,993	8.12 %
Urban development	(8,903,221)	(63.18)%			(8,903,221)	(63.18)%
Interest expense and fiscal charges	(12,175,929)	(27.90)%			(12,175,929)	(27.90)%
Sanitary sewer			4,019,327	7.80 %	4,019,327	7.80 %
Building permit			(78,375)	(1.03)%	(78,375)	(1.03)%
<b>Total expenses</b>	<b>(22,922,768)</b>	<b>(6.97)%</b>	<b>3,940,952</b>	<b>6.66 %</b>	<b>(18,981,816)</b>	<b>(4.89)%</b>
Change in net position before transfers	67,787,553	(178.86)%	6,939,626	19.05 %	74,727,179	(5,107.12)%
Transfers	(631,464)	(74.61)%	631,464	(74.61)%		
Change in net position	67,156,089	(181.24)%	7,571,090	21.27 %	74,727,179	(5,107.12)%
Net position, beginning of year	(37,053,785)	(24.53)%	35,590,588	8.11 %	(1,463,197)	(0.25)%
Net position, end of year	<u>\$ 30,102,304</u>	<u>26.40 %</u>	<u>\$ 43,161,678</u>	<u>9.10 %</u>	<u>\$ 73,263,982</u>	<u>12.45 %</u>

#### Governmental Activities

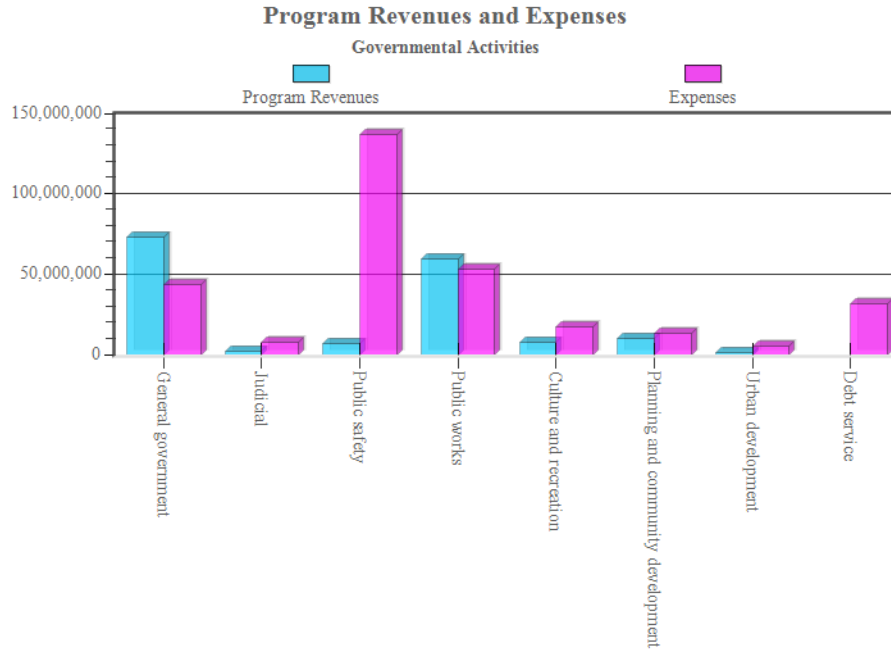
Program revenues are those revenues that are derived directly from the program itself or from parties outside of the City's taxpayers or citizenry. They reduce the net cost of the function to be financed from the City's general revenues which include property taxes and other taxes. The following chart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

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**



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 gaps between expenses and program revenues for the public safety function and community development and support function are lessened due to the receipt of operating and capital grants from federal and state governments. The culture and recreation and judicial functions both generate a certain amount of charges for service that partially cover their operating expenses. Public works receives contributed capital from developers and at times from the Regional Transportation Commission (RTC), which is classified as capital grants and contributions.

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

For governmental activities, charges for service continue to be the largest revenue contributor at 26.71%, followed by property taxes at 21.12%. Intergovernmental consolidated tax revenues were a close third, contributing 20.54% of all revenues for governmental activities.

The increase in operating grants and contributions primarily relates to the receipt of FEMA money for repairs made to parks and infrastructure as a result of the 2017 flood event.

The increase in capital grants and contributions is the result of the dedication of the Southeast Connector roadway constructed by the RTC to the City in the amount of \$38.2 million.

The increase in other sales tax revenues relates to one-time adjustment made by the State of Nevada relates to the first time receipts for the Tessera Tourism Improvement District.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

All governmental functions received an increase in expenses related to the allocation of net loss in the Risk Retention Internal Service Fund due to a \$1.4 million higher loss reserve needed by two lawsuits – one pending a decision and one in the appeals court.

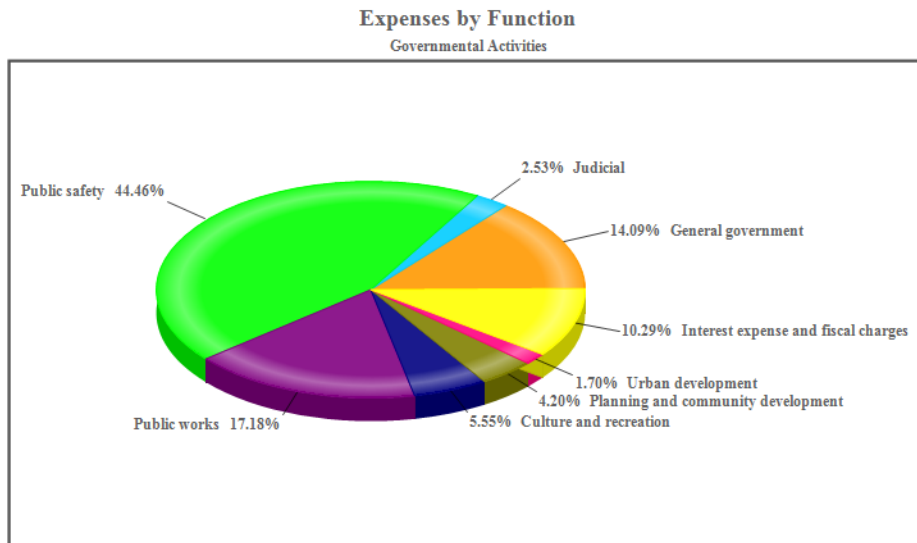
The change in public safety expenses is largely due to decreased OPEB-related expense for police and fire that helped to offset higher salaries and wages due to merit increases, scheduled cost of living adjustments, higher overtime, and for police, accrued leave payoffs at retirement. For the Fire Department, overtime is partially offset by strike team reimbursements received from other jurisdictions for those firefighters who assist with fire operations outside of the City.

The decline in the public works is the effect of the 15% overhead cost charged to RTC-dedicated projects to approximate the costs of design, engineering, and project management as only the construction hard costs are provided by the RTC to the City. The 15% is treated as a reduction to salaries and benefits and is capitalized as part of the overall project cost. Excluding this calculation, expense for the public works function would have increased by \$2.7 million due to the filling of positions, regularly scheduled salary increases and increases for associated benefits.

The large decline in urban redevelopment expenses is primarily due to the negative impact that the finalization of the donation of the automobile museum building and land to its operator had on fiscal year 2017/18.

Interest expense and fiscal charges declined from the prior year due to the impact the large interest rate swap termination and refinancing of accrued interest payable related to the 2018A ReTRAC bonds in fiscal year 2017/18. While the refinancing of the Series 2005A Capital Improvement Refunding Bonds also increased interest expense in fiscal year 2018/19, the impact was less due to the size of the associated outstanding debt.

The following chart provides a comparison of expenses by function/program as a percentage of total expenses for all government activities. The public safety function (police, fire and dispatch) continues to pose 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.



(Continued)

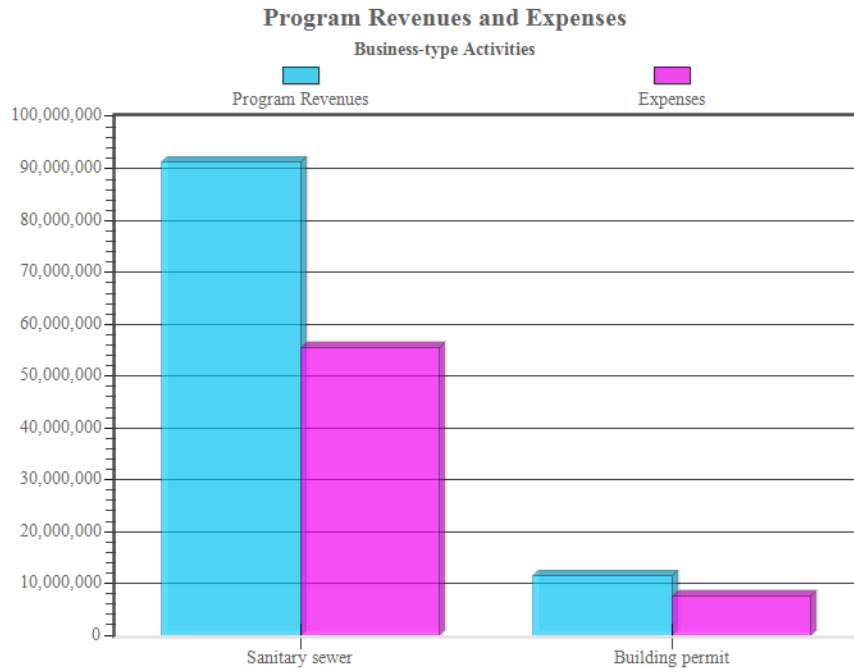
# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

### Business-type Activities

Business-type activities include sanitary sewer and building permit operations. The following chart presents each activity's contribution to these totals.



For business-type activities, the City continues to experience growth in residential and commercial construction, which leads to higher charges for service for both the sanitary sewer fund and the building permit fund. Sewer connection revenue increased by 32.83%.

The sanitary sewer function continues to be self-supporting, with program revenues exceeding operating expenses. This allows the function to continue funding its capital needs without relying upon the issuance of debt.

The building permit function experienced a slight gain. Revenues came in over budget and actual revenues in fiscal year 2017/18 actuals by 15.53%. Expenses also came in under budget, with employee benefits experiencing a 13.39% decline due to vacancies experienced during part of the year and to the impact of lower OPEB expense, which is allocated based on gross payroll.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

### 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. Since the focus in governmental fund accounting is on current resources, the governmental funds balance sheet does not reflect long-term assets and liabilities. In particular, the governmental funds unassigned fund balance is useful in measuring resources available for spending at fiscal year-end, and the proprietary fund unrestricted net position is an important measure of working capital for use in providing services to City residents.

### Governmental Funds

Total Assets - Governmental Funds				
	2019	2018	Change	
General Fund	\$ 44,828,731	\$ 44,737,232	\$ 91,499	0.20 %
Streets Special Revenue Fund	29,636,192	27,272,924	2,363,268	8.67 %
Downtown Events Center Debt Service Fund	9,334,572	14,911,286	(5,576,714)	(37.40)%
City of Reno Debt Service Fund	3,776,178	3,520,530	255,648	7.26 %
Non-major Governmental Funds	79,867,551	67,256,955	12,610,596	18.75 %

Total Liabilities - Governmental Funds				
	2019	2018	Change	
General Fund	\$ 11,574,695	\$ 12,865,423	\$ (1,290,728)	(10.03)%
Streets Special Revenue Fund	3,289,584	3,379,726	(90,142)	(2.67)%
Downtown Events Center Debt Service Fund	48	225,268	(225,220)	(99.98)%
City of Reno Debt Service Fund	7,565,465	5,924,849	1,640,616	27.69 %
Non-major Governmental Funds	5,079,842	3,542,843	1,536,999	43.38 %

Total Fund Balance - Governmental Funds				
	2019	2018	Change	
General Fund	\$ 32,520,450	\$ 31,291,968	\$ 1,228,482	3.93 %
Streets Special Revenue Fund	26,176,864	23,688,245	2,488,619	10.51 %
Downtown Events Center Debt Service Fund	6,142,490	11,037,875	(4,895,385)	(44.35)%
City of Reno Debt Service Fund	(3,801,442)	(2,406,912)	(1,394,530)	(57.94)%
Non-major Governmental Funds	68,969,847	56,735,101	12,234,746	21.56 %

Total Revenues - Governmental Funds				
	2019	2018	Change	
General Fund	\$ 203,649,157	\$ 191,828,751	\$ 11,820,406	6.16 %
Streets Special Revenue Fund	28,301,611	25,772,033	2,529,578	9.82 %
Downtown Events Center Debt Service Fund	8,283,320	8,117,413	165,907	2.04 %
City of Reno Debt Service Fund	2,677,557	3,096,588	(419,031)	(13.53)%
Non-major Governmental Funds	38,082,517	39,737,600	(1,655,083)	(4.17)%

Total Expenditures - Governmental Funds				
	2019	2018	Change	
General Fund	\$ 190,001,005	\$ 181,191,305	\$ 8,809,700	4.86 %
Streets Special Revenue Fund	19,383,406	18,649,629	733,777	3.93 %
Downtown Events Center Debt Service Fund	88,349,257	8,536,384	79,812,873	934.97 %
City of Reno Debt Service Fund	12,069,651	12,516,923	(447,272)	(3.57)%
Non-major Governmental Funds	36,274,846	271,045,888	(234,771,042)	(86.62)%

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

#### Total Other Financing Sources (Uses) - Governmental Funds

	2019	2018	Change	
General Fund	\$ (12,419,670)	\$ (387,955)	\$ (12,031,715)	3,101.32 %
Streets Special Revenue Fund	(6,429,586)	(5,646,020)	(783,566)	(13.88)%
Downtown Events Center Debt Service Fund	75,170,552	1,000,000	74,170,552	7,417.06 %
City of Reno Debt Service Fund	7,997,564	7,906,658	90,906	1.15 %
Non-major Governmental Funds	10,427,075	239,283,916	(228,856,841)	(95.64)%

Of the above fund balances, \$2.7 million is categorized as nonspendable, \$54.5 million as restricted, \$51.6 million as assigned, and \$21.2 million as unassigned.

#### Major Governmental Funds

The primary operating fund of the City is the General Fund. At the end of the fiscal year presented, its unassigned fund balance was \$25.0 million, a decrease of 12.65% over the previous fiscal year due to assigning \$3.7 million for capital improvements. One of the City's goals is to maintain a reserve in the general fund between 8.30% and 25.00% of the prior fiscal year's total budget for operating expenditures. As of June 30, 2019, this calculation yielded a 17.45% reserve.

The Streets Special Revenue Fund utilizes property tax overrides, motor vehicle fuel taxes and water toll fees to maintain arterial and neighborhood streets, as well as to perform neighborhood street rehabilitation projects. Fund balance increased due to revenue growth, particularly in water toll fees and motor vehicle fuel tax, outpacing growth in capital outlay for street rehabilitation projects.

The City of Reno Debt Service Fund is responsible for the payment of principal and interest on outstanding debt not related to special assessment districts and for which a separate fund was not created. This fund includes debt service for the 2007A and 2007B Sales Tax Increment (Cabelas) Bonds, which are paid solely from sales tax revenue collected in the City of Reno, Nevada Tourism Improvement District No. 2006-1 (Boomtown/Cabela's). Revenues have been insufficient to make timely debt service payments, causing matured principal and interest payable balances to rise. In fiscal year 2019/20, a separate debt service fund will be created for reporting these bonds.

The Events Center Debt Service Fund is responsible for the payment of principal and interest on outstanding debt, as well as collection of special assessment receivables that will be used to meet the debt service requirements for special assessment district bonds outstanding. The change in fund balance is primarily due to the restructuring of the Series 2005 Capital Improvement Revenue Refunding Bonds, including depositing \$5.5 million of assigned fund balance into an escrow/trustee account for the partial advance refunding of the 2005C bonds.

Non-major governmental funds consist primarily of special revenue and capital projects funds. Significant activities include the HUD and State housing grant fund created for the purpose of providing better housing, improved living conditions, and economic opportunities for persons of lower income; collecting room taxes dedicated to improving parks and recreation facilities and to promote tourism; the collection and expenditure of certain court collection and administrative fees to enhance judicial programs; and the maintenance of and repairs and improvements to City owned facilities.

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

### Proprietary Funds

#### Total Assets - Proprietary Funds

	2019	2018	Change	
Sanitary Sewer Enterprise Fund	\$ 597,244,309	\$ 555,675,402	\$ 41,568,907	7.48 %
Building Permit Enterprise Fund	16,774,128	12,916,292	3,857,836	29.87 %
Internal Service Funds	51,833,348	44,643,953	7,189,395	16.10 %

#### Total Liabilities - Proprietary Funds

	2019	2018	Change	
Sanitary Sewer Enterprise Fund	\$ 80,001,517	\$ 77,209,263	\$ 2,792,254	3.62 %
Building Permit Enterprise Fund	10,136,027	10,611,760	(475,733)	(4.48)%
Internal Service Funds	67,209,659	64,189,902	3,019,757	4.70 %

#### Total Net Position - Proprietary Funds

	2019	2018	Change	
Sanitary Sewer Enterprise Fund	\$ 518,454,950	\$ 479,741,281	\$ 38,713,669	8.07 %
Building Permit Enterprise Fund	7,212,942	2,964,610	4,248,332	143.30 %
Internal Service Funds	(15,253,062)	(19,404,998)	4,151,936	21.40 %

#### Total Operating Revenues - Proprietary Funds

	2019	2018	Change	
Sanitary Sewer Enterprise Fund	\$ 70,437,687	\$ 67,654,653	\$ 2,783,034	4.11 %
Building Permit Enterprise Fund	11,557,584	10,009,710	1,547,874	15.46 %
Internal Service Funds	47,676,825	47,000,551	676,274	1.44 %

#### Total Operating Expenses - Proprietary Funds

	2019	2018	Change	
Sanitary Sewer Enterprise Fund	\$ 49,156,505	\$ 44,808,145	\$ 4,348,360	9.70 %
Building Permit Enterprise Fund	7,691,460	7,869,389	(177,929)	(2.26)%
Internal Service Funds	45,537,178	43,761,155	1,776,023	4.06 %

#### Total Nonoperating Revenues (Expenses), Capital Contributions and Transfers - Proprietary Funds

	2019	2018	Change	
Sanitary Sewer Enterprise Fund	\$ 17,432,487	\$ 9,890,973	\$ 7,541,514	76.25 %
Building Permit Enterprise Fund	382,208	94,590	287,618	304.07 %
Internal Service Funds	2,012,289	854,922	1,157,367	135.38 %

### 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 fiscal year amounted to \$177.7 million. The change in operating revenues was due primarily to growth in sewer connection fees and receipt of FEMA reimbursements for damage repairs related to the 2017 flood event. Operating expenses increased 9.70%, with higher depreciation expense and OPEB expense being the primary causes.

The City contributed \$3.6 million to the Truckee Meadows Reclamation Facility for capital improvements, and its share of the joint venture's loss was \$5.3 million which was made up primarily of depreciation expense.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

The Building Permit Fund accounts for resources provided by the issuance of building permit fees and performing plan checks/reviews related to new construction and remodeling/structure rehabilitation projects. Operationally, the fund experienced 30.00% increase in plan check/review fees and an overall 15.53% increase in charges for service, while operating expenses saw a 2.26% decline due to lower salaries and employee benefits.

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

#### Summary of Selected General Fund Budget to Actual Information

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total Revenues	\$ 187,675,436	\$ 194,415,106	\$ 203,649,157	\$ 9,234,051
Total Expenditures	188,372,194	197,506,403	190,001,005	7,505,398
Total Fund Balance	8,187,713	2,790,700	32,520,450	29,729,750

The functions represent the legal level of budgetary control. Budgeted revenues increased primarily due to growth in property taxes, consolidated taxes and dedicated sales tax revenues. Budgeted expenditures increased in many functions for services and supplies, including slightly higher allocations for motor vehicle maintenance/replacement and grant-reimbursed costs. The public safety function also received an increased budget related to overtime, payouts of leave balances upon retirement, vacation cash-outs, and grant-funded services and supplies. The planning and community development function received increases for salaries and employee benefits due to hiring of new personnel. The other function's budget was increased for higher retired employees insurance and payouts of sales tax increment related to the now active Tessera Tourism Improvement District.

The City continues to monitor costs very closely and uses a zero based program budgeting methodology.

### **Capital Assets Activity**

At June 30, 2019, the City had total capital assets net of depreciation and amortization of \$1,284.7 million, net of accumulated depreciation and amortization of \$1,151.8 million. This represents 2.40% decrease when compared to the prior year.

Major capital investment activities for fiscal year included:

\$55.4 million in infrastructure, \$51.4 million of which was either contributed by developers or the RTC;

\$7.6 million in new construction in progress, with completion of \$6.1 million of projects previously in construction in progress;

\$17.2 million in new construction in progress in sewer line and storm drain rehabilitation and lift station improvement/replacement projects, after completion of \$41.5 million in projects; and \$6.8 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.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### **Long-term Debt Activity**

Bonds and notes payable outstanding at June 30, 2019, totaled \$502. million, net of premiums and discounts, a 1.0% decrease when compared to the prior year. Debt for governmental activities represents 90.41% of total debt outstanding, with debt related to business type activities accounting for 9.59% of the total debt outstanding.

At June 30, 2019, the City had \$85.6 million of general obligation debt outstanding that is subject to the legal debt limit of \$1,294.8 million.

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

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.

### **Known Economic Factors**

For the first two months of fiscal year 2019/20, intergovernmental consolidated tax revenues have risen 7.03% over the first two months of fiscal year 2018/19. For June of 2019, statewide taxable sales were up 4.6% over June of 2019; whereas in Washoe County, taxable sales increased 4.1% for the same period.

In June of 2019 the unemployment rate in the Reno-Sparks MSA was 3.4%, which is 0.6% lower than the state unemployment rate of 4.0% and slightly lower than the national rate of 3.7%. The Reno MSA unemployment is slightly lower than the 3.5% for the same time period one year ago.

The annual job growth rate for the Reno metropolitan area between June 2018 and June 2019 was 6.0%, which is significantly higher than the 3.7% growth rate between June 2018 and June 2017.

### **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, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents and investments, unrestricted	\$ 162,315,105	\$ 110,921,908	\$ 273,237,013
Cash, cash equivalents and investments, restricted		20,720,400	20,720,400
Accounts receivable, net	7,354,620	10,545,617	17,900,237
Interest receivable	710,836	563,669	1,274,505
Taxes receivable	487,770		487,770
Special assessments receivable	10,347,326		10,347,326
Due from other governments	23,508,062	2,576,279	26,084,341
Notes receivable, net	908,158	3,470,631	4,378,789
Inventories	968,864	313,833	1,282,697
Prepaid items	2,062,252	30,298	2,092,550
Property held for resale	1,041,209		1,041,209
Truckee Meadows Water Reclamation Facility		91,275,986	91,275,986
Internal balances	8,108,464	(8,108,464)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	7,926,824	22,219,588	30,146,412
Land	148,192,906	11,334,930	159,527,836
Water rights	1,125,000	1,812,114	2,937,114
Buildings and building improvements	150,558,902	7,254,997	157,813,899
Improvements other than buildings	264,558,164	318,866,420	583,424,584
Infrastructure	317,102,123		317,102,123
Machinery, equipment and software	22,617,609	8,611,767	31,229,376
Art and historical treasures	2,568,459		2,568,459
<b>Total assets</b>	<b>1,132,462,653</b>	<b>602,409,973</b>	<b>1,734,872,626</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized deferred refunding charges	21,180,556	276,073	21,456,629
Unamortized amounts related to pensions	41,609,213	3,395,972	45,005,185
Unamortized amounts related to postemployment benefits other than pensions	552,514	16,049	568,563
<b>Total deferred outflows of resources</b>	<b>63,342,283</b>	<b>3,688,094</b>	<b>67,030,377</b>
<b>LIABILITIES</b>			
Accounts payable and other accrued expenses	8,655,076	816,726	9,471,802
Accounts payable from restricted assets		92,635	92,635
Accrued salaries and benefits	6,825,067	368,908	7,193,975
Contracts payable	3,605,095	2,035,580	5,640,675
Contracts payable from restricted assets		646,394	646,394
Due to other governments	1,504,809	2,143,916	3,648,725
Deposits	1,281,364	2,015,115	3,296,479
Unearned revenue	5,018	3,500,000	3,505,018
Long-term liabilities, due within one year			
Bonds and notes payable	15,536,691	5,717,504	21,254,195
Compensated absences	14,266,681	1,158,696	15,425,377
Self-insurance liability	8,045,822		8,045,822
Interest payable	4,683,488	540,084	5,223,572
Long-term liabilities, due in more than one year			
Bonds and notes payable, net of unamortized premiums and discounts	438,358,946	42,429,704	480,788,650
Compensated absences	9,866,607	202,409	10,069,016
Self-insurance liability	56,031,042		56,031,042
Postemployment benefits other than pensions	219,753,013	6,301,088	226,054,101
Net pension liability	228,330,492	18,668,785	246,999,277
Interest payable	11,517,425		11,517,425
<b>Total liabilities</b>	<b>1,028,266,636</b>	<b>86,637,544</b>	<b>1,114,904,180</b>

(Continued)

See notes to basic financial statements.

# CITY OF RENO

## STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Unamortized amounts related to pensions	23,373,691	1,899,961	25,273,652
Unamortized amounts related to postemployment benefits other than pensions	39,040	1,134	40,174
Total deferred inflows of resources	23,412,731	1,901,095	25,313,826
NET POSITION			
Net investment in capital assets	517,184,024	322,228,682	839,412,706
Restricted for			
Debt service	42,214,862		42,214,862
Capital improvement projects	14,025,145	20,477,340	34,502,485
Fire, police and other public safety programs	1,164,852		1,164,852
Cultural, community and development programs	1,964,846		1,964,846
Self-insurance liabilities	23,111,931		23,111,931
Other government programs	2,934,507		2,934,507
Unrestricted	(458,474,598)	174,853,406	(283,621,192)
Total net position	\$ 144,125,569	\$ 517,559,428	\$ 661,684,997

See notes to basic financial statements.

# CITY OF RENO

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

FUNCTION/PROGRAM	Program Revenues				Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total
			and Contributions	Capital Grants and Contributions			
Governmental activities							
General government	\$ 43,077,447	\$ 72,021,602	\$ 470,156	\$	\$ 29,414,311	\$	\$ 29,414,311
Judicial	7,719,808	1,942,985	190,341		(5,586,482)		(5,586,482)
Public safety	135,931,879	4,254,259	2,063,332	228,506	(129,385,782)		(129,385,782)
Public works	52,539,862	3,949,973	762,754	54,173,967	6,346,832		6,346,832
Culture and recreation	16,968,478	4,540,284	209,574	2,996,415	(9,222,205)		(9,222,205)
Planning and community development	12,844,761	1,982,247	7,306,268	730,745	(2,825,501)		(2,825,501)
Urban development	5,188,558	943,099	138,693		(4,106,766)		(4,106,766)
Debt service							
Interest expense and fiscal charges	<u>31,462,922</u>				<u>(31,462,922)</u>		<u>(31,462,922)</u>
Total governmental activities	<u>305,733,715</u>	<u>89,634,449</u>	<u>11,141,118</u>	<u>58,129,633</u>	<u>(146,828,515)</u>		<u>(146,828,515)</u>
Business-type activities							
Sanitary sewer	55,576,663	70,399,634	2,016,429	18,823,851		35,663,251	35,663,251
Building permit	<u>7,558,741</u>	<u>11,557,584</u>				<u>3,998,843</u>	<u>3,998,843</u>
Total business-type activities	<u>63,135,404</u>	<u>81,957,218</u>	<u>2,016,429</u>	<u>18,823,851</u>		<u>39,662,094</u>	<u>39,662,094</u>
Total function/program	<u>\$ 368,869,119</u>	<u>\$ 171,591,667</u>	<u>\$ 13,157,547</u>	<u>\$ 76,953,484</u>	<u>(146,828,515)</u>	<u>39,662,094</u>	<u>(107,166,421)</u>
GENERAL REVENUES							
Property taxes					70,869,469		70,869,469
Room taxes					11,353,561		11,353,561
Sales taxes restricted for debt service					12,021,468		12,021,468
Other sales taxes					1,247,683		1,247,683
Intergovernmental shared revenues, unrestricted					74,268,996		74,268,996
Investment income					5,797,725	3,676,463	9,474,188
Gain on disposal of capital assets					96,342		96,342
Miscellaneous					<u>1,060,643</u>	<u>38,053</u>	<u>1,098,696</u>
Total general revenues					<u>176,715,887</u>	<u>3,714,516</u>	<u>180,430,403</u>

(Continued)

See notes to basic financial statements.

# CITY OF RENO

## STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

	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
Transfers					214,932	(214,932)	
CHANGE IN NET POSITION					30,102,304	43,161,678	73,263,982
NET POSITION, BEGINNING OF YEAR					<u>114,023,265</u>	<u>474,397,750</u>	<u>588,421,015</u>
NET POSITION, END OF YEAR					<u>\$ 144,125,569</u>	<u>\$ 517,559,428</u>	<u>\$ 661,684,997</u>

See notes to basic financial statements.

# **FUND FINANCIAL STATEMENTS**



**CITY OF RENO**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019**

	Special Revenue		Debt Service Funds		Non-major Governmental Funds	Total Governmental Funds
	Funds					
	General Fund	Streets	Downtown Events Center	City of Reno		
<b>ASSETS</b>						
Cash, cash equivalents and investments	\$ 22,687,405	\$ 25,439,146	\$ 4,394,179	\$ 3,532,723	\$ 65,215,961	\$ 121,269,414
Accounts receivable	5,162,400	1,052,868		34,354	408,108	6,657,730
Interest receivable	128,498	128,761	24,675	7,343	244,836	534,113
Taxes receivable	370,122	112,337			5,311	487,770
Special assessments receivable	11,483		3,648,143		6,687,700	10,347,326
Due from other governments	14,934,137	2,388,826	787,715	201,758	4,722,135	23,034,571
Due from other funds	335,000					335,000
Advances to other funds		106,079				106,079
Inventories	393,625	405,955				799,580
Prepaid items	806,061	2,220	479,860		634,133	1,922,274
Property held for sale					1,041,209	1,041,209
Notes receivable, net					908,158	908,158
<b>Total assets</b>	<b>\$ 44,828,731</b>	<b>\$ 29,636,192</b>	<b>\$ 9,334,572</b>	<b>\$ 3,776,178</b>	<b>\$ 79,867,551</b>	<b>\$ 167,443,224</b>
<b>LIABILITIES</b>						
Accounts payable and other accrued liabilities	\$ 2,789,228	\$ 302,744	\$ 48	\$ 6,027	\$ 3,222,848	\$ 6,320,895
Accrued salaries and benefits	6,606,422	170,846			14,668	6,791,936
Contracts payable	99,167	2,395,026			1,110,902	3,605,095
Due to other governments	1,295,792				209,017	1,504,809
Deposits	779,068	420,968			81,328	1,281,364
Unearned revenue	5,018					5,018
Due to other funds					335,000	335,000
Advances from other funds					106,079	106,079
Interest payable				3,464,438		3,464,438
Debt obligations payable				4,095,000		4,095,000
<b>Total liabilities</b>	<b>11,574,695</b>	<b>3,289,584</b>	<b>48</b>	<b>7,565,465</b>	<b>5,079,842</b>	<b>27,509,634</b>

(Continued)

See notes to basic financial statements.

**CITY OF RENO**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2019**

	Special Revenue Funds		Debt Service Funds		Non-major Governmental Funds	Total Governmental Funds
	General Fund	Streets	Downtown Events Center	City of Reno		
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue, property taxes	381,605	112,337			5,311	499,253
Unavailable revenue, special assessments			3,192,034		5,766,655	8,958,689
Unavailable revenue, other	<u>351,981</u>	<u>57,407</u>		<u>12,155</u>	<u>45,896</u>	<u>467,439</u>
Total deferred inflows of resources	<u>733,586</u>	<u>169,744</u>	<u>3,192,034</u>	<u>12,155</u>	<u>5,817,862</u>	<u>9,925,381</u>
Total liabilities and deferred inflows of resources	<u>12,308,281</u>	<u>3,459,328</u>	<u>3,192,082</u>	<u>7,577,620</u>	<u>10,897,704</u>	<u>37,435,015</u>
FUND BALANCES						
Nonspendable						
Inventories	393,625	405,955				799,580
Prepaid items	806,061	2,220	479,860		634,133	1,922,274
Restricted for						
Debt service			5,662,630		28,797,524	34,460,154
Capital improvement projects	54,762	170,086			13,800,297	14,025,145
Fire, police and other public safety programs	166,713				998,139	1,164,852
Cultural, community and development programs	129,413				1,835,433	1,964,846
Other government programs					2,934,507	2,934,507
Assigned to						
Capital improvement projects	3,812,529	25,598,603			16,558,212	45,969,344
Fire, police and other public safety programs	93,293				66,029	159,322
Cultural, community and development programs	297,262					297,262
Other government programs	1,813,918				3,345,573	5,159,491
Unassigned	<u>24,952,874</u>			<u>(3,801,442)</u>		<u>21,151,432</u>
Total fund balances	<u>32,520,450</u>	<u>26,176,864</u>	<u>6,142,490</u>	<u>(3,801,442)</u>	<u>68,969,847</u>	<u>130,008,209</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,828,731</u>	<u>\$ 29,636,192</u>	<u>\$ 9,334,572</u>	<u>\$ 3,776,178</u>	<u>\$ 79,867,551</u>	<u>\$ 167,443,224</u>

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, 2019

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 130,008,209
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	\$ 1,856,899,113	
Less accumulated depreciation	<u>(951,380,417)</u>	905,518,696
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	(438,333,076)	
Unamortized premiums and discounts	(11,467,561)	
Unamortized deferred refunding charges	21,180,556	
Compensated absences payable	(24,068,315)	
Postemployment benefits other than pensions	(219,171,026)	
Unamortized deferred outflows related to postemployment benefits other than pensions	551,032	
Unamortized deferred inflows related to postemployment benefits other than pensions	(38,935)	
Net pension liability	(226,809,644)	
Unamortized deferred outflows related to pensions	41,332,561	
Unamortized deferred inflows related to pensions	<u>(23,218,911)</u>	(880,043,319)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	(12,736,475)	
Other liabilities	<u>(1,402,325)</u>	(14,138,800)
Unavailable revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	<u>9,925,381</u>	9,925,381
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	(15,253,062)	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	8,308,141	
Internal service fund balance receivable from business-type activities from current year activity	<u>(199,677)</u>	(7,144,598)
NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 144,125,569</u>

**CITY OF RENO**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds		Debt Service Funds		Non-major Governmental Funds	Total Governmental Funds
	General Fund	Streets	Downtown			
			Events Center	City of Reno		
<b>REVENUES</b>						
Taxes	\$ 53,269,754	\$ 16,016,124	\$ 7,353,585	\$	\$ 8,329,575	\$ 84,969,038
Business licenses, permits, franchise and other fees	49,226,107	3,571,807			206,406	53,004,320
Intergovernmental shared revenues	77,635,848	7,403,867		1,557,130	20,190,855	106,787,700
Charges for services	14,602,866	52,010		46,800	2,548,007	17,249,683
Fines and forfeitures	2,951,836	10,257			31,393	2,993,486
Special assessments	2,344,606		456,109		1,123,510	3,924,225
Miscellaneous	3,618,140	1,247,546	473,626	1,073,627	5,652,771	12,065,710
Total revenues	<u>203,649,157</u>	<u>28,301,611</u>	<u>8,283,320</u>	<u>2,677,557</u>	<u>38,082,517</u>	<u>280,994,162</u>
<b>EXPENDITURES</b>						
Current						
General government	23,195,170				1,531,057	24,726,227
Judicial	7,218,626				168,995	7,387,621
Public safety	127,431,728				583,903	128,015,631
Public works	5,965,083	17,312,052			597,415	23,874,550
Culture and recreation	10,494,895				348,060	10,842,955
Planning and community development	3,603,969				9,056,167	12,660,136
Urban redevelopment					2,071,464	2,071,464
Other	10,875,945					10,875,945
Total current	<u>188,785,416</u>	<u>17,312,052</u>			<u>14,357,061</u>	<u>220,454,529</u>
Capital outlay						
General government	259,511				186,371	445,882
Public safety	301,590				2,513,550	2,815,140
Public works		2,071,354			4,658,409	6,729,763
Culture and recreation	117,464				1,124,939	1,242,403
Planning and community development					870,334	870,334
Urban redevelopment					154,868	154,868
Total capital outlay	<u>678,565</u>	<u>2,071,354</u>			<u>9,508,471</u>	<u>12,258,390</u>

(Continued)

**CITY OF RENO**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds		Debt Service Funds		Non-major Governmental Funds	Total Governmental Funds
	General Fund	Streets	Downtown Events Center	City of Reno		
Debt service						
Principal payments	534,485		1,725,000	9,637,000	4,233,010	16,129,495
Interest expense and fiscal charges	2,539		3,905,925	2,421,451	8,100,333	14,430,248
Payment to current bond refunding agent			81,384,497			81,384,497
Debt issuance costs			993,009			993,009
Administrative and other costs			340,826	11,200	75,971	427,997
Total debt service	<u>537,024</u>		<u>88,349,257</u>	<u>12,069,651</u>	<u>12,409,314</u>	<u>113,365,246</u>
Total expenditures	<u>190,001,005</u>	<u>19,383,406</u>	<u>88,349,257</u>	<u>12,069,651</u>	<u>36,274,846</u>	<u>346,078,165</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,648,152</u>	<u>8,918,205</u>	<u>(80,065,937)</u>	<u>(9,392,094)</u>	<u>1,807,671</u>	<u>(65,084,003)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt			85,165,000			85,165,000
Debt issuance premiums			1,032,815			1,032,815
Payment to advance refunding bond agent			(11,610,596)			(11,610,596)
Proceeds from capital asset disposal	46,716					46,716
Transfers in	1,971,010	201,914	583,333	7,997,564	13,229,756	23,983,577
Transfers out	(14,437,396)	(6,631,500)			(2,802,681)	(23,871,577)
Total other financing sources (uses)	<u>(12,419,670)</u>	<u>(6,429,586)</u>	<u>75,170,552</u>	<u>7,997,564</u>	<u>10,427,075</u>	<u>74,745,935</u>
CHANGE IN FUND BALANCE	1,228,482	2,488,619	(4,895,385)	(1,394,530)	12,234,746	9,661,932
FUND BALANCE, BEGINNING OF YEAR	<u>31,291,968</u>	<u>23,688,245</u>	<u>11,037,875</u>	<u>(2,406,912)</u>	<u>56,735,101</u>	<u>120,346,277</u>
FUND BALANCE, END OF YEAR	<u>\$ 32,520,450</u>	<u>\$ 26,176,864</u>	<u>\$ 6,142,490</u>	<u>\$ (3,801,442)</u>	<u>\$ 68,969,847</u>	<u>\$ 130,008,209</u>

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, 2019

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ 9,661,932
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	\$ 12,258,390	
Less current year depreciation	(46,431,372)	
Disposition of capital assets	<u>(899,872)</u>	(35,072,854)
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	(1,489,160)	
Capital asset contributions	<u>52,046,116</u>	50,556,956
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	(85,165,000)	
Debt premiums	(1,032,815)	
Payment to advance refunded debt escrow agent	11,610,596	
Debt principal repayments	82,874,649	
Deferred refunding charges	<u>4,113,448</u>	12,400,878
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	(6,037,078)	
Change in compensated absences payable	(938,011)	
Change in net pension liability	664,001	
Amortization of deferred refunding charges	(987,017)	
Amortization of debt premiums and discounts	578,222	
Change in accrued interest	(3,902,376)	
Other	<u>(774,608)</u>	(11,396,867)
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	4,151,936	
The internal service funds change in net position related to business-type activities	<u>(199,677)</u>	3,952,259
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 30,102,304</u>

**CITY OF RENO**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	Business-type Activities			Governmental
			Total Enterprise	Internal Service
	Sanitary Sewer	Building Permit	Funds	Funds
<b>ASSETS</b>				
Current assets				
Cash, cash equivalents and investments	\$ 96,150,299	\$ 14,771,609	\$ 110,921,908	\$ 41,045,691
Accounts receivable	10,545,617		10,545,617	696,890
Interest receivable	500,903	62,766	563,669	176,723
Due from other governments	2,576,279		2,576,279	473,491
Due from other funds	3,500,000		3,500,000	
Inventories	313,833		313,833	169,284
Prepaid items	29,959	339	30,298	139,978
Restricted assets				
Cash, cash equivalents and investments	<u>20,720,400</u>		<u>20,720,400</u>	
Total current assets	<u>134,337,290</u>	<u>14,834,714</u>	<u>149,172,004</u>	<u>42,702,057</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation and amortization				
Construction in progress	22,219,588		22,219,588	
Land	11,334,930		11,334,930	
Water rights	1,812,114		1,812,114	
Buildings and building improvements	5,359,583	1,895,414	7,254,997	
Improvements other than buildings	318,866,420		318,866,420	
Machinery, equipment and software	8,567,767	44,000	8,611,767	9,131,291
Total capital assets, net of accumulated depreciation and amortization	<u>368,160,402</u>	<u>1,939,414</u>	<u>370,099,816</u>	<u>9,131,291</u>
Other assets				
Due from other governments	3,470,631		3,470,631	
Truckee Meadows Water Reclamation Facility	91,275,986		91,275,986	
Total other assets	<u>94,746,617</u>		<u>94,746,617</u>	
Total noncurrent assets	<u>462,907,019</u>	<u>1,939,414</u>	<u>464,846,433</u>	<u>9,131,291</u>
Total assets	<u>597,244,309</u>	<u>16,774,128</u>	<u>614,018,437</u>	<u>51,833,348</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized deferred refunding charges	276,073		276,073	
Unamortized amounts related to pensions	2,103,689	1,292,283	3,395,972	276,652
Unamortized amounts related to postemployment benefits other than pensions	10,068	5,981	16,049	1,482
Total deferred outflows of resources	<u>2,389,830</u>	<u>1,298,264</u>	<u>3,688,094</u>	<u>278,134</u>

(Continued)

**CITY OF RENO**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2019**

	Business-type Activities		Total Enterprise Funds	Governmental Activities
	Sanitary Sewer	Building Permit		Internal Service Funds
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and other accrued liabilities	767,854	48,872	816,726	931,856
Other accrued liabilities payable from restricted assets	92,635		92,635	
Accrued salaries and benefits	222,958	145,950	368,908	33,131
Contracts payable	2,035,580		2,035,580	
Contracts payable from restricted assets	646,394		646,394	
Due to other governments	2,103,313	40,603	2,143,916	
Deposits	2,015,115		2,015,115	
Unearned revenue	3,500,000		3,500,000	
Due to other funds	3,500,000		3,500,000	
Interest payable	540,084		540,084	
Debt obligations payable	5,717,504		5,717,504	
Compensated absences	729,905	428,791	1,158,696	55,644
Self-insurance liability				8,045,822
<b>Total current liabilities</b>	<b><u>21,871,342</u></b>	<b><u>664,216</u></b>	<b><u>22,535,558</u></b>	<b><u>9,066,453</u></b>
Noncurrent liabilities				
Debt obligations payable	42,429,704		42,429,704	
Compensated absences	182,900	19,509	202,409	9,329
Postemployment benefits other than pensions	3,952,897	2,348,191	6,301,088	581,987
Self-insurance liability				56,031,042
Net pension liability	11,564,674	7,104,111	18,668,785	1,520,848
<b>Total noncurrent liabilities</b>	<b><u>58,130,175</u></b>	<b><u>9,471,811</u></b>	<b><u>67,601,986</u></b>	<b><u>58,143,206</u></b>
<b>Total liabilities</b>	<b><u>80,001,517</u></b>	<b><u>10,136,027</u></b>	<b><u>90,137,544</u></b>	<b><u>67,209,659</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unamortized amounts related to pensions	1,176,961	723,000	1,899,961	154,780
Unamortized amounts related to postemployment benefits other than pensions	711	423	1,134	105
<b>Total deferred inflows of resources</b>	<b><u>1,177,672</u></b>	<b><u>723,423</u></b>	<b><u>1,901,095</u></b>	<b><u>154,885</u></b>
<b>NET POSITION</b>				
Net investment in capital assets	320,289,268	1,939,414	322,228,682	9,131,291
Restricted				
Capital improvement projects	20,477,340		20,477,340	
Self-insurance liabilities				24,514,257
Unrestricted	<u>177,688,342</u>	<u>5,273,528</u>	<u>182,961,870</u>	<u>(48,898,610)</u>
<b>Total net position</b>	<b><u>\$ 518,454,950</u></b>	<b><u>\$ 7,212,942</u></b>	<b>525,667,892</b>	<b><u>\$ (15,253,062)</u></b>
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			<u>(8,108,464)</u>	
<b>Net position of business-type activities</b>			<b><u>\$ 517,559,428</u></b>	

# CITY OF RENO

## PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities			Governmental
			Total Enterprise	Internal Service
	Sanitary Sewer	Building Permit	Funds	Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 68,048,545	\$ 11,557,584	\$ 79,606,129	\$ 46,023,785
Licenses and permits	338,051		338,051	
Fines and forfeitures	1,658,105		1,658,105	
Miscellaneous	<u>392,986</u>		<u>392,986</u>	<u>1,653,040</u>
Total operating revenues	<u>70,437,687</u>	<u>11,557,584</u>	<u>81,995,271</u>	<u>47,676,825</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	6,308,559	3,704,423	10,012,982	936,610
Employee benefits	4,127,547	1,581,469	5,709,016	419,937
Services and supplies	13,394,592	2,295,037	15,689,629	41,616,977
Joint sewer plant	14,120,130		14,120,130	
Depreciation and amortization	<u>11,205,677</u>	<u>110,531</u>	<u>11,316,208</u>	<u>2,563,654</u>
Total operating expenses	<u>49,156,505</u>	<u>7,691,460</u>	<u>56,847,965</u>	<u>45,537,178</u>
Operating income	<u>21,281,182</u>	<u>3,866,124</u>	<u>25,147,306</u>	<u>2,139,647</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Other grants	2,016,429		2,016,429	
Investment income	3,267,195	409,268	3,676,463	1,326,860
Interest and fiscal charges	(1,157,945)		(1,157,945)	
Gain (loss) on capital asset disposition	(75,872)	(27,060)	(102,932)	73,747
Truckee Meadows Water Reclamation Facility	<u>(5,329,171)</u>		<u>(5,329,171)</u>	
Total nonoperating revenues (expenses)	<u>(1,279,364)</u>	<u>382,208</u>	<u>(897,156)</u>	<u>1,400,607</u>
Income (loss) before capital contributions and transfers	<u>20,001,818</u>	<u>4,248,332</u>	<u>24,250,150</u>	<u>3,540,254</u>
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions	6,806,798		6,806,798	404,790
Federal grants				206,892
Sewer connection charges	<u>12,017,053</u>		<u>12,017,053</u>	
Total capital contributions	<u>18,823,851</u>		<u>18,823,851</u>	<u>611,682</u>
<b>TRANSFERS</b>				
Transfers out	<u>(112,000)</u>		<u>(112,000)</u>	
CHANGE IN NET POSITION	38,713,669	4,248,332	42,962,001	4,151,936
NET POSITION, BEGINNING OF YEAR	<u>479,741,281</u>	<u>2,964,610</u>		<u>(19,404,998)</u>
NET POSITION, END OF YEAR	<u>\$ 518,454,950</u>	<u>\$ 7,212,942</u>		<u>\$ (15,253,062)</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds			<u>199,677</u>	
CHANGE IN NET POSITION, BUSINESS-TYPE ACTIVITIES			<u>\$ 43,161,678</u>	

**CITY OF RENO**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Business-type Activities			Governmental
	Sanitary Sewer	Building Permit	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 71,054,220	\$ 11,557,583	\$ 82,611,803	\$ 46,172,550
Cash received from interfund services				100,000
Cash received from other sources	572,433		572,433	1,473,695
Cash payments for goods and services	(22,936,712)	(1,514,122)	(24,450,834)	(37,506,723)
Cash payments for employee services	(8,254,030)	(5,029,810)	(13,283,840)	(1,217,569)
Cash payments for interfund goods and services	(2,460,479)	(799,612)	(3,260,091)	(1,045,406)
Cash payments for interfund employee benefits	(1,188,100)	(627,612)	(1,815,712)	(175,779)
Net cash provided by operating activities	<u>36,787,332</u>	<u>3,586,427</u>	<u>40,373,759</u>	<u>7,800,768</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out	(112,000)		(112,000)	
Cash received from grants	2,016,429		2,016,429	206,892
Net cash provided by (used in) noncapital financing activities	<u>1,904,429</u>		<u>1,904,429</u>	<u>206,892</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(16,645,617)	(27,060)	(16,672,677)	(3,274,734)
Proceeds received from disposal of capital assets				56,454
Principal payments on debt	(5,559,724)		(5,559,724)	
Payments of interest and fiscal charges	(1,196,228)	(104)	(1,196,332)	
Connection charges	12,017,053		12,017,053	
Truckee Meadows Water Reclamation Facility	(3,625,604)		(3,625,604)	
Net cash used in capital financing activities	<u>(15,010,120)</u>	<u>(27,164)</u>	<u>(15,037,284)</u>	<u>(3,218,280)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	1,756,409	220,378	1,976,787	790,819
Change in fair value of cash equivalent investments	1,305,177	161,677	1,466,854	473,868
Net cash provided by (used in) investing activities	<u>3,061,586</u>	<u>382,055</u>	<u>3,443,641</u>	<u>1,264,687</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	26,743,227	3,941,318	30,684,545	6,054,067
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>90,127,472</u>	<u>10,830,291</u>	<u>100,957,763</u>	<u>34,991,624</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 116,870,699</u>	<u>\$ 14,771,609</u>	<u>\$ 131,642,308</u>	<u>\$ 41,045,691</u>

(Continued)

**CITY OF RENO**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Business-type Activities			Governmental
			Total Enterprise	Internal Service
	Sanitary Sewer	Building Permit	Funds	Funds
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income	\$ 21,281,182	\$ 3,866,124	\$ 25,147,306	\$ 2,139,647
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	11,205,677	110,531	11,316,208	2,563,654
(Increase) decrease in operating assets				
Accounts receivable	(820,392)		(820,392)	248,763
Notes receivable	748,600		748,600	
Due from other governments	(569,154)		(569,154)	(179,347)
Inventories	(34,782)		(34,782)	(4,711)
Prepaid items	22,954	162	23,116	(4,698)
Increase (decrease) in operating liabilities				
Accounts payable and accrued expenses	1,764,347	(670)	1,763,677	699,284
Accrued salaries and benefits	28,906	24,203	53,109	1,291
Contracts and retention payable	(1,522,447)	(28,268)	(1,550,715)	
Due to other governments	1,887,459	10,079	1,897,538	
Deposits	1,829,912		1,829,912	
Compensated absences	99,214	(91,015)	8,199	11,483
Self-insurance liability				2,374,978
Postemployment benefits other than pensions	558,748	77,132	635,880	4,841
Net pension liability	307,108	(381,851)	(74,743)	(54,417)
Total adjustments	<u>15,506,150</u>	<u>(279,697)</u>	<u>15,226,453</u>	<u>5,661,121</u>
Net cash provided by operating activities	<u>\$ 36,787,332</u>	<u>\$ 3,586,427</u>	<u>\$ 40,373,759</u>	<u>\$ 7,800,768</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	<u>\$ 6,806,798</u>	<u>\$</u>	<u>\$ 6,806,798</u>	<u>\$ 404,790</u>

**CITY OF RENO**  
**FIDUCIARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	OPEB Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$ 9,405,532	\$ 10,602,145
Investment in RBIF Retirement System		20,096
Interest receivable		1,062,545
Special assessments receivable		<u>1,062,545</u>
Total assets	<u>9,405,532</u>	<u>11,684,786</u>
<b>LIABILITIES</b>		
Accounts payable and other accrued liabilities		422,373
Due to other governments		74
Deposits		4,239,720
Due to developers, employees and others		<u>7,022,619</u>
Total liabilities		<u>11,684,786</u>
<b>NET POSITION</b>		
Assets held in trust for pension and other employee benefits	<u>9,405,532</u>	<u>                    </u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 9,405,532</u></u>	<u><u>\$                    </u></u>

**CITY OF RENO**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	OPEB Trust Fund
ADDITIONS	
Contributions	
Employer	\$ 929,468
Plan members	59,783
Investment earnings	
Interest, dividends and other investment income	195,277
Net change in fair value of investment	470,094
Investment expense	(2,219)
Total additions	1,652,403
CHANGE IN NET POSITION	1,652,403
NET POSITION, BEGINNING OF YEAR	7,753,129
NET POSITION, END OF YEAR	\$ 9,405,532



**NOTES TO BASIC  
FINANCIAL STATEMENTS**



# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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### 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, community development and support; 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 non-fiduciary 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, and 3) unrestricted net position.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are 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 business-type activity, 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 liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide 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 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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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

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 motor vehicle fuel taxes and street override property tax revenues 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.

Downtown Events Center Debt Service Fund - Accounts for the accumulation of resources for payment of bonds issued for the purpose of acquiring the National Bowling Stadium and constructing the Reno Events Center and Ballroom Facility.

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 for 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 reporting as nonoperating revenues and expenses.

The City reports the following major proprietary funds:

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

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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

The City also reports the following other 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 and a statement of changes in net position, report assets held in a trustee or agency capacity; and therefore, cannot be used to support the City's operational activities. Fiduciary funds are excluded from the government-wide financial statements.

The City reports the following fiduciary fund types:

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.

Employee Benefit Trust Fund - Accounts for assets held in an irrevocable trust fund, which are to be used for payment of postemployment benefits other than pensions. The assets are invested by the State of Nevada Retirement Benefit Investment Fund. To date, the City has elected not to pay benefits out of the fund until such time as the fund has sufficient financial resources to meet those obligations.

### 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, 2019, notes receivable are shown net of an allowance for uncollectible amounts totaling \$49,630,509.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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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.

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 capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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

	<u>Years</u>
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	1-40

### Long-term Liabilities

In the government-wide and proprietary fund statements, long-term obligations are reported as liabilities on the statement of net position. Premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Debt issuance costs are reported as expenses in the period incurred. 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 in the period

### 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, make matching contributions into the deferred compensation plan of up to 5% of an employee's salary.

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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the City's OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plans and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the City's OPEB Plans. For this purpose, the City recognizes benefit payments when due and payable in accordance with the benefit terms and investments are reported at estimated fair value.

### Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The City uses the same basis used in the Public Employees' Retirement System of Nevada's (PERS) Comprehensive Annual Financial Report for reporting its proportionate share of the PERS collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information related to PERS fiduciary net position and related additions to/deductions. Benefit payments (including refunds of employee contributions) are recognized by PERS when due and payable in accordance with the benefit terms. PERS investments are reported at fair value.

### Agent Multiple-Employer Defined Benefit Pension Plan

The City uses the same basis used in the Judicial Retirement System of Nevada's (JRS) Annual Financial Report, for reporting its proportionate share of the JRS net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information related to JRS fiduciary net position and related additions to/deductions. Benefit payments (including refunds of employee contributions) are recognized by JRS when due and payable in accordance with the benefit terms. JRS's investments are reported at fair value.

### Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position or fund balance that applies to future periods; and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide and proprietary funds statement of net position reports deferred refunding charges (the difference between the reacquisition price and the net carrying amount of the defeased debt), which will be amortized over the life of the related debt; and amounts related to pensions and other post-employment benefits, including 1) the changes in proportion and differences between actual contributions and proportionate share of contributions related to pensions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, and 2) contributions made subsequent to the measurement date, which will be recognized in the subsequent year.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds balance sheet reports unavailable property tax and special assessment revenues, which will be recognized as revenue in the period that the amounts become available. The government-wide and proprietary funds statement of net position reports amounts related to pensions and other post-employment benefits, including: 1) the differences between expected and actual experience and changes of assumptions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, and 2) the net difference between projected and actual earnings on investments, which will be amortized over five years.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### **Stabilization Arrangements**

The stabilization fund was created in October 2014, by the City Council under Resolution No. 8015 for the purpose of stabilizing the City's operations and mitigating the effects of a natural disaster.

Resources for the stabilization fund include committed revenue from the general fund in an amount determined to be available for this purpose. The balance in the stabilization fund is limited to 10% of prior year general fund expenditures, excluding expenditure of federal funds. Cash, cash equivalents and investments, investment income, and fund balance in the stabilization fund may not revert to any other fund or be used as a surplus for any purpose other than specified in the foregoing paragraph.

Expenditures from this fund may only be made if the total actual revenue falls short of the total anticipated revenue in the general fund for the fiscal year in which the City uses that money; or to pay expenses incurred by the local government to mitigate the effects of a natural disaster.

### **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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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

### **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 GAAP requires management to make estimates that affect reported amounts. Significant estimates that may change materially in the next year include net pension liabilities, postemployment benefits other than pensions, and derivative instruments and related deferred outflows / inflows or resources. The useful lives of capital assets is also a significant estimate that may require revision in future periods.

## **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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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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 term 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, 2019, 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, Planning & Community Development Function	\$	(761,386)
Redevelopment Agency Special Revenue Fund, Urban Redevelopment Function		(124,632)
Downtown Events Center Capital Projects Fund, Public Works Function		(57,192)
Street Capital Project Fund, Public Works Function		(2,461)
Motor Vehicle Internal Service Fund		(467,150)

For the year ended June 30, 2019, total expenditures exceeded appropriations for the following funds and/or functions, which are exempt from the provisions of NRS 354.626:

Redevelopment Agency Debt Service Fund, Debt Service Function	\$	(955)
Self-funded Risk Retention Internal Service Fund		(346,813)
Self-funded Workers Compensation Internal Service Fund		(372,552)

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 Balances or Net Position**

At June 30, 2019, the Self-Funded Worker's Compensation Internal Service Fund had a net position deficit of \$51,336,501. The deficit is expected to remain until such time as the State Legislature provides a solution to the heart/lung presumptive liability issue. The \$3,801,442 negative fund balance in the City of Reno Debt Service Fund is due to insufficient pledged revenues for the 2007A & B Sales Tax Increment Revenue Bonds.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### **Tax Abatements**

All tax abatement agreements/programs, entered into by the State of Nevada, have been summarized, by type of agreement/program and the gross, accrual basis reduction of the City's taxes for the year ended June 30, 2019 aggregated as follows:

Agreement/program description – Nevada Revised Statutes 360.753 - Partial abatement of certain taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircraft  
Amount abated during the year ended June 30, 2019 – \$66,223  
Specific tax being abated – Personal property taxes and/or sales and use taxes

Agreement/program description – Nevada Revised Statutes 360.754 - Partial abatement of certain taxes imposed on new or expanded data center  
Amount abated during the year ended June 30, 2019 – \$9,608  
Specific tax being abated – Property taxes and/or sales and use taxes

Agreement/program description – Nevada Revised Statutes 374.357 - Abatement for eligible machinery or equipment used by certain new or expanded businesses  
Amount abated during the year ended June 30, 2019 – \$1,649,561  
Specific tax being abated – Sales and use taxes

Agreement/program description – Nevada Revised Statutes 701A.370 - Partial abatement of certain taxes imposed on renewable energy facilities  
Amount abated during the year ended June 30, 2019 – \$55,361  
Specific tax being abated – Property taxes and/or sales and use taxes

### **New Accounting Pronouncements (not yet adopted)**

GASB Statement No. 91, Conduit Debt Obligations. This statement was issued in May 2019 and is effective for financial statements for periods beginning after December 15, 2020. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangement associated with conduit debt obligations; and improving required note disclosures. Management has completed its assessment of this statement and has determined it will not have a material effect on the City's net position, results of operations, or cash flows.

In June 2017, the GASB issued Statement No. 87, Leases effective for financial statements for periods beginning after December 15, 2019. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Statement No. 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The statement also establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Management has not completed its assessment of this statement to determine whether it will have a material effect on the City's net position, results of operations, or cash flows.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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In January 2017, the GASB issued Statement No. 84, Fiduciary Activities effective for financial statements for periods beginning after December 15, 2018. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Management has completed its assessment of this statement and has determined that it will not have a material effect on the City's net position, results of operations, or cash flows.

In March 2016, the GASB issued Statement No. 81, Irrevocable Split-Interest Agreements effective for financial statements for periods beginning after December 15, 2018. The objective of this statement is to address accounting and financial reporting for resources received pursuant to an irrevocable split-interest agreement. Management has completed its assessment of this statement and has determined that it will not have a material effect on the City's net position, results of operations, or cash flows.

### Note 3. Detailed Notes on all Funds

#### Cash, Cash Equivalents and Investments

At June 30, 2019, the City's cash, cash equivalents and investments (including restricted amounts) were as follows:

Pooled cash, cash equivalents and investments	
Cash in bank	\$ 18,453,073
Cash equivalents	34,609,164
Investments	<u>227,105,018</u>
Total pooled cash, cash equivalents and investments	<u>280,167,255</u>
Non-pooled cash, cash equivalents and investments	
Cash on hand	25,650
Cash in bank	369,956
Cash equivalents	23,996,697
Investments	<u>9,405,532</u>
Total non-pooled cash, cash equivalents and investments	<u>33,797,835</u>
Total cash, cash equivalents and investments	<u>\$ 313,965,090</u>

At June 30, 2019, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements follows:

Governmental activities	\$ 162,315,105
Business-type activities	131,642,308
Fiduciary funds	<u>20,007,677</u>
Total cash, cash equivalents and investments	<u>\$ 313,965,090</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

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 \$18,822,750, and the bank balance was \$21,971,005. As of June 30, 2019, 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.

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	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
Notes and Bonds issued by U.S. Corporations	5 years	20%	None	A	A-2
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 and trust investment pools	None	None	None	N/A	N/A

GASB Statement No. 72, Fair Value Measurement and Application, defines fair value, establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of fair value hierarchy are as follows:

Level 1. Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2. Inputs are other observable inputs.

Level 3. Inputs are unobservable.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

The fair value measurement level within the hierarchy is based on the lowest level of any input that is deemed significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The estimated fair values of the City's U.S. Treasury obligations, commercial paper, notes, bonds and other obligations issued by U.S. Corporations are based on quoted market prices provided by recognized broker dealers (Level 1 inputs). The estimated fair value of its U.S. Agency securities is based on matrix pricing model that maximizes the use of observable inputs for similar securities as provided by recognized broker dealers (Level 2 inputs). The estimated fair value of the City's Local Government Investment Pool and Nevada RBIF Retirement System investments are based on the City's proportionate share of the value of the pooled investments (Level 3 inputs).

At June 30, 2019, 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	1.00% to 2.88%	11/15/2019 to 4/30/2024	\$ 120,315,000	\$ 120,213,320	\$ 120,942,927	2.05
Money market mutual funds	Variable	On demand		182,110	182,110	
Commercial paper	2.30%	10/18/2019 to 11/27/2019	10,810,000	10,742,304	10,765,839	0.13
U.S. Agency securities						
Federal National Mortgage Association	3.00% to 4.00%	11/25/2032 to 4/25/2034	3,828,265	3,956,394	3,968,249	13.97
Federal Home Loan Bank	2.83% to 5.00%	4/20/2029 to 4/15/2034	4,944,048	5,159,015	5,221,864	9.97
Federal Agency Bond/Note	1.38% to 3.05%	9/11/2020 to 6/9/2023	54,875,000	54,643,035	55,397,501	1.96
Local Government Investment Pool	Variable	On demand		34,571,423	34,609,164	N/A
Notes, bonds and other obligations issued by U.S. Corporations	1.88% to 4.10%	10/23/2020 to 5/15/2024	27,005,000	27,322,556	27,921,309	3.63
Asset-backed securities	2.52% to 2.64%	6/21/2023 to 7/15/2024	<u>2,675,000</u>	<u>2,674,687</u>	<u>2,705,219</u>	0.43
Total pooled cash equivalents and investments			<u>224,452,313</u>	<u>259,464,844</u>	<u>261,714,182</u>	
Non-pooled cash equivalents and investments						
Money market mutual funds	Variable	On demand		23,996,697	23,996,697	N/A
Nevada RBIF Retirement System Trust Units	Variable	On demand		<u>9,405,532</u>	<u>9,405,532</u>	N/A
Total non-pooled cash equivalents and investments				<u>33,402,229</u>	<u>33,402,229</u>	
Total cash equivalents and investments			<u>\$ 224,452,313</u>	<u>\$ 292,867,073</u>	<u>\$ 295,116,411</u>	

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

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

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 a given time. The City manages its exposure to declines in fair values by limiting its weighted average maturity of its investment portfolio to three years or less in accordance with its investment policy.

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	*	*	46.22 %
Commercial paper	AAA	Aa1	4.12 %
U.S. Agency securities			
Federal National Mortgage Association	AA+	Aaa	1.53 %
Federal Home Loan Bank			2.01 %
Federal Agency Bond/Note	AA+	Aaa	21.18 %
Local government investment pool	N/A	N/A	13.23 %
Notes, bonds and other obligations issued by U.S. Corporations			11.71 %
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, 2019, were as follows:

	Percentage of Portfolio
U.S. Treasury obligations	40.98 %
U.S. Agency securities	
Federal Agency Bond/Note	18.77 %
Local government investment pool	11.73 %
Notes, bonds and other obligations issued by U.S. Corporations	9.46 %

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)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

### Capital Assets

For the year ended June 30, 2019, capital asset activity was as follows:

	Balance July 1, 2018	Increases	Decreases	Transfers*	Balance June 30, 2019
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 6,430,401	\$ 7,567,531		\$ (6,071,108)	\$ 7,926,824
Land	147,286,559	906,347			148,192,906
Water rights	<u>1,125,000</u>				<u>1,125,000</u>
Total capital assets not being depreciated or amortized	<u>154,841,960</u>	<u>8,473,878</u>		<u>(6,071,108)</u>	<u>157,244,730</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	234,117,375				234,117,375
Improvements other than buildings	373,471,821	508,163		552,186	374,532,169
Infrastructure	988,184,765	50,527,237	(51,686)	4,909,090	1,043,569,406
Machinery, equipment and software	68,071,493	7,521,518	(1,029,430)	609,832	75,173,414
Art and historical treasures	<u>3,348,263</u>	<u>79,900</u>			<u>3,428,163</u>
Total capital assets being depreciated or amortized	<u>1,667,193,717</u>	<u>58,636,818</u>	<u>(1,081,116)</u>	<u>6,071,108</u>	<u>1,730,820,527</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(77,335,354)	(6,223,119)			(83,558,473)
Improvements other than buildings	(102,543,788)	(7,430,217)			(109,974,005)
Infrastructure	(695,616,540)	(30,902,428)	51,686		(726,467,283)
Machinery, equipment and software	(49,178,784)	(4,397,203)	1,020,181		(52,555,805)
Art and historical treasures	<u>(817,647)</u>	<u>(42,057)</u>			<u>(859,704)</u>
Total accumulated depreciation and amortization	<u>(925,492,113)</u>	<u>(48,995,024)</u>	<u>1,071,867</u>		<u>(973,415,270)</u>
Total capital assets being depreciated or amortized, net	<u>741,701,604</u>	<u>9,641,794</u>	<u>(9,249)</u>	<u>6,071,108</u>	<u>757,405,257</u>
Total governmental activities	<u>\$ 896,543,564</u>	<u>\$ 18,115,672</u>	<u>\$ (9,249)</u>	<u>\$</u>	<u>\$ 914,649,987</u>

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

	Balance July 1, 2018	Increases	Transfers*	Balance June 30, 2019
Business-type activities				
Capital assets not being depreciated or amortized				
Construction in progress	\$ 46,481,700	\$ 17,239,050	\$ (41,501,162)	\$ 22,219,588
Land	11,301,180	33,750		11,334,930
Water rights	<u>1,812,114</u>			<u>1,812,114</u>
Total capital assets not being depreciated or amortized	<u>59,594,994</u>	<u>17,272,800</u>	<u>(41,501,162)</u>	<u>35,366,632</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Increases	Transfers*	Balance June 30, 2019
Capital assets being depreciated or amortized				
Buildings and building improvements	\$ 14,326,282	\$	\$	\$ 14,326,282
Improvements other than buildings	450,320,439	6,043,218	33,035,982	489,399,640
Machinery, equipment and software	843,031	60,524	8,465,180	9,368,734
Total capital assets being depreciated or amortized	465,489,752	6,103,742	41,501,162	513,094,656
Accumulated depreciation and amortization				
Buildings and building improvements	(6,703,643)	(367,642)		(7,071,285)
Improvements other than buildings	(159,850,022)	(10,683,197)		(170,533,220)
Machinery, equipment and software	(491,599)	(265,369)		(756,967)
Total accumulated depreciation and amortization	(167,045,264)	(11,316,208)		(178,361,472)
Total capital assets being depreciated or amortized, net	298,444,488	(5,212,466)	41,501,162	334,733,184
Total business-type activities	\$ 358,039,482	\$ 12,060,334	\$	\$ 370,099,816

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

For the year ended June 30, 2019, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ 1,245,919
Judicial	476,937
Public safety	1,812,037
Public works	35,280,360
Culture and recreation	6,090,106
Planning and community development	159,418
Urban development	1,290,402
Other	76,191
Internal service fund depreciation expense is charged to specific functions based on asset usage	2,563,654
Total depreciation expense, governmental activities	\$ 48,995,024
Business-type activities	
Sanitary sewer	\$ 11,205,677
Building permit	110,531
Total depreciation expense, business-type activities	\$ 11,316,208

### **Advances To and From Other Funds**

At June 30, 2019, advances to and from other funds resulting from lending or borrowing transactions, were as follows:

	Receivable	Payable
Streets Special Revenue Fund	\$ 106,079	\$
Non-major Governmental Funds		106,079
	\$ 106,079	\$ 106,079

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

The purpose of the advances in the following schedule, which summarized the related annual debt service requirements, was to internally finance sidewalk, curb and gutter improvements owed to the streets special revenue fund for the 2013 SAD improvements.

For the Year Ended June 30,	2013 No. 1 Special Assessment	
	Principal	Interest
2020	\$ 18,784	\$ 6,087
2021	19,928	4,943
2022	21,142	3,730
2023	22,430	2,442
2024	23,795	1,076
	\$ 106,079	\$ 18,278

### **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, 2019, non-capital asset related interfund transfers were as follows:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Non-major Governmental Funds	\$ 1,971,010
Streets Special Revenue Fund	Non-major Governmental Funds	201,914
Downtown Events Center Debt Service Fund	General Fund	583,333
City of Reno Debt Service Fund	General Fund	1,254,064
	Streets Special Revenue Fund	6,631,500
	Sanitary Sewer Enterprise Fund	112,000
Non-major Governmental Funds	General Fund	12,599,999
	Non-major Governmental Funds	629,757
		\$ 23,983,577

### **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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

Governmental activities

Pledged revenue – Up to 15% of consolidated tax revenues

Total revenue bond principal and interest remaining to be paid at June 30, 2019	\$ 230,917,925
Total revenue bond principal and interest paid during the year ended June 30, 2019	\$ 5,344,251
Total pledged revenue for the year ended June 30, 2019	\$ 10,339,180
2005A Capital Improvement Revenue Refunding Bonds <sup>1</sup>	June 1, 2032
2005B Capital Improvement Revenue Refunding Bonds <sup>1</sup>	June 1, 2040
2005C Capital Improvement Revenue Refunding Bonds <sup>1</sup>	June 1, 2037
2013A Capital Improvement Revenue Refunding Bonds <sup>2</sup>	June 1, 2032
2019A-1 Capital Improvement Revenue Refunding Bonds <sup>3</sup>	June 1, 2046
2019A-2 Capital Improvement Revenue Refunding Bonds <sup>4</sup>	June 1, 2024

1. These bonds are also secured by room taxes, which was the primary bond repayment source for the fiscal year.
2. These bonds are also secured by room taxes, which was the primary bond repayment source for the fiscal year. Bonds were issued to refund the 2002 Capital Improvements Revenue Bonds.
3. Bonds were issued to refund the 2005A and 2005B Capital Improvement Refunding Bonds.
4. Bonds were issued to partially advance refund the 2005C Capital Improvement Refunding Bonds.

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, 2019	\$ 10,704,012
Total revenue bond principal and interest paid during the year ended June 30, 2019	\$ 630,722
Total pledged revenue for the year ended June 30, 2019	\$ 1,037,858
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, 2019	\$ 230,917,925
Total revenue bond principal and interest paid during the year ended June 30, 2019	\$ 5,344,251
Total pledged revenue for the year ended June 30, 2019	\$ 7,353,585
Revenue bonds issued and revenue pledge maturity	
2005A Capital Improvement Revenue Refunding Bonds <sup>1</sup>	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 <sup>2</sup>	June 1, 2032
2019A-1 Capital Improvement Revenue Refunding Bonds <sup>3</sup>	June 1, 2046
2019A-2 Capital Improvement Revenue Refunding Bonds <sup>4</sup>	June 1, 2024

1. Includes payment of fees to the letter of credit provider.
2. Bonds were issued to refund the 2002 Capital Improvement Revenue Bonds.
3. Bonds were issued to refund the 2005A and 2005B Capital Improvement Refunding Bonds.
4. Bonds were issued to partially advance refund the 2005C Capital Improvement Refunding Bonds.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

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, 2019	\$ 37,009,425
Total revenue bond principal and interest paid during the year ended June 30, 2019	\$ 1,462,388
Total pledged revenue for the year ended June 30, 2019	\$ 1,297,216
Revenue bonds issued and revenue pledge maturity	
2007A Sales Tax Increment Bonds <sup>1</sup>	June 29, 2027
2007B Sales Tax Increment Bonds <sup>1</sup>	June 29, 2027

1. There were insufficient revenues during the fiscal year to make scheduled and matured debt service payments totaling \$7,559,438.

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, 2019	\$ 9,567,473
Revenue bonds issued and revenue pledge maturity	
2006 Sales Tax Subordinate Lien Bonds <sup>1</sup>	October 1, 2020

1. In fiscal year 2019, 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, 2019	\$ 1,214,179,619
Total revenue bond principal and interest paid during the year ended June 30, 2019	\$ 7,560,066
Total pledged revenue for the year ended June 30, 2019	\$ 10,724,252
Revenue bonds issued and revenue pledge maturity	
2018A 1st Lien Sales Tax Revenue Refunding Bonds <sup>1</sup>	June 1, 2058
2018B 2nd Lien Sales Tax Revenue Refunding Bonds <sup>1</sup>	June 1, 2058
2018C 1st Subordinate Sales Tax Revenue Refunding Bonds <sup>1</sup>	June 1, 2047
2018D 2nd Subordinate Sales Tax Revenue Refunding Bonds <sup>1</sup>	June 1, 2059

Pledged revenue – Lease revenues

Total revenue bond principal and interest remaining to be paid at June 30, 2019	\$ 5,648,701
Total revenue bond principal and interest paid during the year ended June 30, 2019	\$ 844,969
Total pledged revenue for the year ended June 30, 2019	\$ 980,112
Revenue bonds issued and revenue pledge maturity	
2014 Taxable Lease Revenue Refunding Bond	July 1, 2024

#### 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, 2019	\$ 59,021,960
Total revenue bond principal and interest paid during the year ended June 30, 2019	\$ 6,783,962
Total pledged revenue for the year ended June 30, 2019	\$ 49,787,638
Revenue bonds issued and revenue pledge maturity	
2010 Sewer General Obligation Refunding Bonds <sup>1</sup>	August 1, 2040
2016 Sewer General Obligation Refunding Bonds <sup>1</sup>	July 1, 2025

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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

### 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, 2019, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>
Governmental activities				
General obligations bonds				
2013A Capital Improvement Refunding Bonds	June 1, 2018 - June 1, 2032	4.00% - 5.00%	\$ 36,115,000	\$ 33,755,000
2013B Medium-Term Various Purpose Bonds	June 1, 2014 - June 1, 2023	2.00% - 5.00%	<u>32,995,000</u>	<u>385,000</u>
Total general obligations bonds			<u>69,110,000</u>	<u>34,140,000</u>
Tax allocation bonds				
2007A Tax Increment Senior Lien (Taxable)	June 1, 2018 - June 1, 2023	6.10%	4,000,000	2,780,000
2007B Tax Increment Senior Lien	June 1, 2019 - June 1, 2027	5.00%	4,000,000	3,950,000
2007C Tax Increment Subordinate Lien	June 1, 2019 - June 1, 2027	5.40%	12,690,000	11,555,000
2017 Tax Increment Refunding Bonds	June 29, 2019 - Jun 29, 2035	2.46%	<u>655,000</u>	<u>641,000</u>
Total tax allocation bonds			<u>21,345,000</u>	<u>18,926,000</u>
Revenue bonds				
2005C Capital Improvement Bonds	June 1, 2033 - June 1, 2037	5.78%	9,192,402	5,694,977
2006C Taxable Room Tax Revenue Refunding Bonds	June 1, 2007 - June 1, 2036	5.91%	8,720,000	6,640,000

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>
2018A 1st Senior Lien ReTRAC Refunding Bonds	June 1, 2019 - June 1, 2058	4.0%-5.0%	\$ 123,275,000	\$ 122,345,000
2018B 2nd Senior ReTRAC Refunding Bonds	June 1, 2019 - June 1, 2058	4.0%-5.0%	32,680,000	32,430,000
2018C 1st Subordinate Lien ReTRAC Refunding Bonds	July 1, 2058	6.15%	58,659,820	58,659,820
2018D 2nd Subordinate ReTRAC Refunding Bonds	July 1, 2058	6.75%	16,115,490	16,115,490
2019A-1 Capital Improvement Revenue Refund	June 1, 2025 - June 1, 2046	3.75%-5.00%	79,920,000	79,920,000
2019A-2 Capital Improvement Revenue Refund	June 1, 2020 - June 1, 2024	3.75%	<u>5,245,000</u>	<u>5,245,000</u>
Total revenue bonds			<u>333,807,712</u>	<u>327,050,287</u>
Special Assessment District Bonds				
1999 Special Assessment District No. 3	February 1, 2003 - February 1, 2022	4.50% - 5.60%	1,763,728	135,000
1999 Special Assessment District No. 2, Series 2016	June 1, 2017 - June 1, 2025	1.45% - 3.00%	6,640,000	4,465,000
2001 Stead Special Improvement District No. 2	June 1, 2004 - June 1, 2023	2.75% - 5.00%	2,470,000	175,000
2002 Special Improvement District No. 5	December 1, 2006 - December 1, 2025	5.70% - 7.25%	<u>7,500,000</u>	<u>3,745,000</u>
Total special assessment district bonds			<u>18,373,728</u>	<u>8,520,000</u>
Direct Borrowings and Direct Placements				
2006 Sales Tax Increment Subordinate Lien Bonds	October 1, 2020	N/A	10,000,000	9,567,473
2007A Sales Tax Increment Bonds (Cabela's)	June 29, 2009 - June 29, 2027	4.00%	16,525,000	12,670,000
2007B Sales Tax Increment Bonds (Cabela's)	June 29, 2009 - June 29, 2027	6.50%	18,175,000	14,780,000
2014 Taxable Lease Refunding Bonds	June 1, 2014 - June 1, 2024	Variable	9,188,000	5,152,000
2008B NV Taxable Local Improvement	May 1, 2009 - May 1, 2026	7.01%	1,115,000	153,000
2010 Special Assessment District No. 2	November 1, 2012 - November 1, 2041	4.00%	939,800	808,920

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>
Washoe County (Accela)	January 31, 2016 - October 31, 2020	1.99%	\$ 300,221	\$ 90,066
Axon (RPD Body Cameras)	July 1, 2018 - July 1, 2021	N/A	1,765,105	1,286,329
Clean Energy Renewable Installment Purchase Agreement	December 15, 2009 - December 15, 2023	1.00%	2,340,000	780,000
Qualified Energy Conservation Bond Installment Purchase Agreement	June 1, 2012 - June 1, 2025	6.45%	2,261,000	1,065,000
Recovery Zone Economic Development Bond Installment Purchase Agreement	June 1, 2012 - June 1, 2027	6.45%	<u>10,860,000</u>	<u>7,439,000</u>
Total direct borrowings and direct placements			<u>73,469,126</u>	<u>53,791,788</u>
Total governmental activities			<u>516,105,566</u>	<u>442,428,075</u>
Business-type activities				
General obligations bonds				
2010 Sewer (Limited Tax) Refunding Bonds	August 1, 2014 - August 1, 2040	2.00% - 4.125%	<u>21,750,000</u>	<u>19,085,000</u>
Total general obligations bonds			<u>21,750,000</u>	<u>19,085,000</u>
Direct Borrowings and Direct Placements				
2016 Sewer General Refunding Bonds	January 1, 2017 - July 1, 2025	1.610%	<u>41,245,638</u>	<u>29,005,375</u>
Total direct borrowings and direct placements			<u>41,245,638</u>	<u>29,005,375</u>
Total business-type activities			<u>62,995,638</u>	<u>48,090,375</u>
Total long-term debt obligations			<u>\$ 579,101,204</u>	<u>\$ 490,518,450</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

At June 30, 2019, annual debt service requirements to maturity were as follows:

For the Year Ended June 30,	Principal	Interest
Governmental activities		
General obligations bonds		
2020	\$ 1,560,000	\$ 1,655,713
2021	1,715,000	1,577,713
2022	1,880,000	1,491,963
2023	2,050,000	1,397,963
2024	2,130,000	1,295,463
2025 - 2029	13,720,000	4,734,863
2030 - 2034	<u>11,085,000</u>	<u>1,136,250</u>
Total general obligations bonds	<u>34,140,000</u>	<u>13,289,928</u>
Tax allocation bonds		
2020	1,913,000	1,006,622
2021	2,019,000	900,033
2022	2,129,000	787,481
2023	2,251,000	668,718
2024	2,371,000	543,177
2025 - 2029	7,973,000	877,521
2030 - 2034	222,000	21,169
2035 - 2039	<u>48,000</u>	<u>886</u>
Total tax allocation bonds	<u>18,926,000</u>	<u>4,805,607</u>
Revenue bonds		
2020	2,595,000	10,715,643
2021	2,740,000	10,595,209
2022	2,890,000	10,468,246
2023	3,055,000	10,334,397
2024	3,225,000	10,193,037
2025 - 2029	19,080,000	48,387,299
2030 - 2034	23,367,543	53,195,620
2035 - 2039	35,032,434	52,607,959
2040 - 2044	57,705,000	28,668,594
2045 - 2049	41,140,000	16,846,794
2050 - 2054	31,430,000	9,937,281
2055 - 2059	<u>104,790,310</u>	<u>819,805,265</u>
Total revenue bonds	<u>327,050,287</u>	<u>1,081,755,344</u>
Special Assessment District Bonds		
2020	1,220,000	387,160
2021	1,265,000	336,643
2022	1,315,000	283,269
2023	1,325,000	223,363
2024	1,335,000	159,144
2025 - 2029	1,405,000	93,450
2030 - 2034	<u>655,000</u>	<u>23,744</u>
Total special assessment district bonds	<u>8,520,000</u>	<u>1,506,773</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

For the Year Ended June 30,	Principal	Interest
Direct Borrowings and Direct Placements		
2020	\$ 8,248,690	\$ 5,434,328
2021	14,017,032	1,787,827
2022	4,772,466	1,589,391
2023	4,683,660	1,372,926
2024	5,930,670	1,137,580
2025 - 2029	15,593,930	1,814,968
2030 - 2034	177,020	91,932
2035 - 2039	216,230	52,732
2040 - 2044	<u>152,090</u>	<u>9,288</u>
Total direct borrowings and direct placements	<u>53,791,788</u>	<u>13,290,972</u>
Total governmental activities	<u>\$ 442,428,075</u>	<u>\$ 1,114,648,624</u>
Business-type activities		
Direct Borrowings and Direct Placements		
2020	\$ 5,142,503	\$ 446,434
2021	5,289,371	363,052
2022	5,440,444	277,290
2023	5,595,843	189,078
2024	5,755,694	98,346
2025 - 2029	1,496,965	18,893
2030 - 2034	<u>284,555</u>	<u>2,291</u>
Total direct borrowings and direct placements	<u>29,005,375</u>	<u>1,395,384</u>
General Obligation Bonds		
2020	575,000	1,170,752
2021	600,000	1,063,871
2022	620,000	956,809
2023	640,000	849,696
2024	660,000	739,464
2025 - 2029	3,645,000	2,879,855
2030 - 2034	4,430,000	2,077,150
2035 - 2039	5,415,000	1,089,831
2040 - 2044	<u>2,500,000</u>	<u>104,156</u>
Total general obligation bonds	<u>19,085,000</u>	<u>10,931,584</u>
Total business-type activities	<u>\$ 48,090,375</u>	<u>\$ 12,326,968</u>

Long-term liabilities activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
Governmental activities					
General obligations bonds					
2013A Capital Improvement Refunding Bonds	\$ 35,080,000	\$	\$ (1,325,000)	\$ 33,755,000	\$ 1,470,000
2013B Medium-Term Various Purpose Bonds	<u>6,700,000</u>	<u></u>	<u>(6,315,000)</u>	<u>385,000</u>	<u>90,000</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
Total general obligations bonds	\$ 41,780,000	\$ _____	\$ (7,640,000)	\$ 34,140,000	\$ 1,560,000
Tax allocation bonds					
2007A Tax Increment Senior Lien (Taxable)	3,375,000		(595,000)	2,780,000	635,000
2007B Tax Increment Senior Lien	4,000,000		(50,000)	3,950,000	50,000
2007C Tax Increment Subordinate Lien	12,690,000		(1,135,000)	11,555,000	1,195,000
2017 Tax Increment Refunding Bonds	<u>655,000</u>		<u>(14,000)</u>	<u>641,000</u>	<u>33,000</u>
Total tax allocation bonds	<u>20,720,000</u>		<u>(1,794,000)</u>	<u>18,926,000</u>	<u>1,913,000</u>
Revenue bonds					
2005A Capital Improvement Refunding Bonds	60,300,000		(60,300,000)		
2005B Capital Improvement Bonds	6,445,154		(6,445,154)		
2005C Capital Improvement Bonds	9,192,402		(3,497,425)	5,694,977	
2006 Taxable Room Tax Revenue Refunding Bonds	6,865,000		(225,000)	6,640,000	240,000
2018A 1st Senior Lien ReTRAC Refunding Bonds	123,275,000		(930,000)	122,345,000	1,130,000
2018B 2nd Senior ReTRAC Refunding Bonds	32,680,000		(250,000)	32,430,000	305,000
2018C 1st Subordinate Lien ReTRAC Refunding Bonds	58,659,820			58,659,820	
2018D 2nd Subordinate Lien ReTRAC Refunding Bonds	16,115,490			16,115,490	
2019A-1 Capital Improvement Refunding Bonds		79,920,000		79,920,000	
2019A-2 Taxable Capital Improvement Refunding Bonds		<u>5,245,000</u>		<u>5,245,000</u>	<u>920,000</u>
Total revenue bonds	<u>313,532,866</u>	<u>85,165,000</u>	<u>(71,647,579)</u>	<u>327,050,287</u>	<u>2,595,000</u>
Special Assessment District Bonds					
1999 Special Assessment District No. 3	340,000		(205,000)	135,000	45,000
2001 Stead Special Improvement District No. 2	230,000		(55,000)	175,000	40,000
2002 Special Improvement District No. 5	4,145,000		(400,000)	3,745,000	430,000
1999 Special Assessment District No. 2, Series 2016	<u>5,190,000</u>		<u>(725,000)</u>	<u>4,465,000</u>	<u>705,000</u>
Total special assessment district bonds	<u>9,905,000</u>		<u>(1,385,000)</u>	<u>8,520,000</u>	<u>1,220,000</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
<b>Direct Borrowings and Direct Placements</b>					
2006 Sales Tax Increment Subordinate Lien Bonds	\$ 9,567,473		\$	\$ 9,567,473	
2007A Sales Tax Increment Bonds (Cabela's)	13,025,000		(355,000)	12,670,000	930,000
2007B Sales Tax Increment Bonds (Cabela's)	15,135,000		(355,000)	14,780,000	1,035,000
2008B NV Taxable Local Improvement	181,000		(28,000)	153,000	20,000
2010 Special Assessment District No. 2	829,930		(21,010)	808,920	21,870
2014 Taxable Lease Refunding Bonds	5,836,000		(684,000)	5,152,000	737,000
Washoe County (Accela)	150,111		(60,044)	90,067	60,044
Axon (RPD Body Cameras)	1,715,106		(428,777)	1,286,329	428,776
Clean Energy Renewable Installment Purchase Agreement	936,000		(156,000)	780,000	156,000
Qualified Energy Conservation Bond Installment Purchase Agreement	1,228,000		(163,000)	1,065,000	167,000
Recovery Zone Economic Development Bond Installment Purchase Agreement	7,983,000		(544,000)	7,439,000	598,000
IPS Group, Inc	<u>45,664</u>		<u>(45,664)</u>		
<b>Total direct borrowings and direct placements</b>	<u>56,632,284</u>		<u>(2,840,495)</u>	<u>53,791,789</u>	<u>4,153,690</u>
Unamortized bond premiums and discounts, net	11,012,968	1,032,816	(578,222)	11,467,562	
Net pension liability	210,433,325	47,190,739	(29,293,572)	228,330,492	
Compensated absences	23,183,795	14,966,628	(14,017,134)	24,133,289	14,266,682
Postemployment benefits other than pensions	130,188,606	95,606,327	(6,041,920)	219,753,013	
Self-insurance liability	<u>61,701,885</u>	<u>32,982,512</u>	<u>(30,607,533)</u>	<u>64,076,864</u>	<u>8,045,822</u>
<b>Total governmental activities</b>	<u>879,090,729</u>	<u>276,944,022</u>	<u>(165,845,455)</u>	<u>990,189,296</u>	<u>33,754,194</u>
<b>Business-type activities</b>					
<b>Direct Borrowings and Direct Placements</b>					
2016 Sewer General Obligation Refunding Bonds	<u>34,005,099</u>		<u>(4,999,724)</u>	<u>29,005,375</u>	<u>5,142,503</u>
<b>Total direct borrowings and direct placements</b>	<u>34,005,099</u>		<u>(4,999,724)</u>	<u>29,005,375</u>	<u>5,142,503</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
General Obligation Bonds					
2010 Sewer (Limited Tax) Refunding Bonds	\$ 19,645,000	\$ _____	\$ (560,000)	\$ 19,085,000	\$ 575,000
Total general obligation bonds	19,645,000	_____	(560,000)	19,085,000	575,000
Unamortized bond premiums and discounts, net	59,539		(2,706)	56,833	
Net pension liability	18,181,044	2,870,599	(2,382,858)	18,668,785	
Compensated absences	1,352,907	1,143,866	(1,135,668)	1,361,105	1,158,697
Postemployment benefits other than pensions	3,034,420	3,902,547	(635,879)	6,301,088	_____
Total business-type activities	76,278,009	7,917,012	(9,716,835)	74,478,186	6,876,200
Total long-term liabilities	\$ 955,368,738	\$ 284,861,034	\$ (175,562,290)	\$ 1,064,667,482	\$ 40,630,394

Compensated absences, net pension liability, 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 No. 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 adoption of GASB No. 65, unamortized deferred refunding gains/losses were reported as a component of debt.

For the year ended June 30, 2019, activity related to the City's unamortized deferred refunding charges was as follows:

	Government Activities	Business-type Activities	Total
Balance June 30, 2018	\$ 18,520,314	\$ 289,219	\$ 18,809,533
Additions	7,213,268		7,213,268
Reductions	(4,553,026)	(13,146)	(4,566,172)
Balance June 30, 2019	\$ 21,180,556	\$ 276,073	\$ 21,456,629

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### Variable Rate Debt

At June 30, 2019, debt obligations that include demand clauses and/or variable interest rates were as follows:

#### Series 2014 Taxable Lease Revenue 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%.

### 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 general obligation, long-term debt that can be incurred by the City is limited by the NRS, and the City's charter for the City limits the 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 this limitation.

### Debt Defeasance

In February of 2019, the City defeased a certain portion of the 2005C Taxable Capital Improvement Refunding Bonds by placing the proceeds of 2019A-2 Capital Improvement Refunding Bond in an irrevocable trust to provide for all future debt service payments on the partially defeased bond. Accordingly, the trust account assets and liabilities for the defeased bond are not included in the City's financial statements. As of June 30, 2019, the entire balance of \$3,497,425 in defeased debt remained outstanding.

### New Debt Issued

On February 26, 2019, the City completed the complex restructuring of the City of Reno Capital Improvement Revenue Refunding Bonds, Series 2005A (Tax-Exempt) and the Capital Improvement Revenue Refunding Bonds, Series 2005B (Taxable). The restructuring allowed the City to achieve the following: 1) replace the variable rate debt with fixed rate debt; 2) remove the interest-rate swap derivative associated with the variable rate debt and pay off the resulting swap termination fee; 3) realign anticipated dedicated room tax revenues across the new bonds going forward; and 4) advance refund a portion the Capital Improvement Revenue Refunding Bonds, Series 2005C (Taxable). The restructuring resulted in the issuance of the following debt:

City of Reno Capital Improvement Revenue Refunding Bonds, Series 2019A-1 (Tax-Exempt). The bonds were issued to refund the Capital Improvement Revenue Refunding Bonds, Series 2005A (Tax-Exempt) and Series 2005B (Tax-Exempt) and pay the swap termination costs. The \$79,920,000 bond is payable at an interest rate ranging between 3.75-5.0% over 27 years, with the first principal payment due June 1, 2025.

City of Reno Capital Improvement Revenue Refunding Bonds, Series 2019A-2 (Taxable). The bonds, in addition to other City funds, were issued to advance refund \$11.6 million of principal and accreted interest related to the Capital Improvement Revenue Refunding Bonds, Series 2005C (Taxable). The \$5,245,000 bond is payable at an interest rate of 3.75% over five years, with the first principal payment due June 1, 2020.

This was not a typical refunding transaction where the City can demonstrate present value savings as would be shown for a refunding done for the purpose of savings. Therefore, no difference in cash flows nor an economic gain (loss) on the refunding are being presented.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 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 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 Obligations

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 obligations or commitments with respect to the conduit debt after its issuance. Furthermore, 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.

Outstanding conduit debt obligations at June 30, 2019, were as follows:

<u>Third-party Borrower</u>	<u>Bond Issue</u>	<u>Issuance Date</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>
Renown Regional Medical Center (previously known as Washoe Medical Center, Inc.)	2004A/2004C	June 29, 2004	\$ 134,350,000	\$ 16,400,000
Renown Regional Medical Center (previously known as, Washoe Medical Center, Inc.)	2005A/2005B	February 10, 2005	96,025,000	7,295,000
Renown Regional Medical Center (previously known as, Washoe Medical Center, Inc.)	2008A/2008B	June 26, 2008	86,800,000	74,250,000
Renown Regional Medical Center (previously known as, Washoe Medical Center, Inc.)	2009A/2009B	January 15, 2009	<u>63,600,000</u>	<u>60,220,000</u>
			<u>\$ 380,775,000</u>	<u>\$ 158,165,000</u>

### 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 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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

Outstanding special assessment debt obligations accounted for in a fiduciary (agency) fund at June 30, 2019, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>
2000 Special Assessment District No. 2 Bonds (Sierra Corporate Center Project)	February 1, 2003 - February 1, 2022	3.75% - 6.80%	\$ 4,135,622	\$ 225,000
2002 Special Assessment District No. 4 Bonds (Somerset Parkway Project)	December 1, 2014 - December 1, 2022	2.00% - 4.20%	5,535,000	1,735,000
2002 Special Assessment District No. 3 Bonds (Double R Boulevard Project)	December 1, 2004 - December 1, 2023	2.00% - 6.10%	<u>7,100,000</u>	<u>1,425,000</u>
			<u>\$ 16,770,622</u>	<u>\$ 3,385,000</u>

#### **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 are 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, 2019, rent expense totaled \$440,455. At year end, the City's future minimum lease payments under these non-cancelable operating leases were as follows:

<u>For the Year Ended June 30,</u>				
2020		\$		401,067
2021				398,527
2022				410,333
2023				422,495
2024				429,064
2025 - 2029				1,105,287
2030 - 2034				1,281,331
2035 - 2039				1,485,414
2040 - 2044				1,671,846
2045 - 2049				1,996,272
2050 - 2054				<u>884,867</u>
			<u>\$</u>	<u>10,486,503</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### **Other Commitments**

Commitments outstanding for construction and construction-related services at June 30, 2019, for the City's non-enterprise funds totaled approximately \$7.5 million. Commitments were \$6.1 million for non-construction related services.

Enterprise fund construction in progress at June 30, 2019, primarily represents progress on sewer projects, including sewer and storm drain rehabilitations, construction of interceptors, treatment plant improvements, and City Hall remodel for Building Permit staff. Outstanding commitments totaled \$9.7 million for City of Reno enterprise fund projects. Of this amount, outstanding non-construction related commitments totaled \$2.9 million for these funds.

In addition to the above, commitments outstanding for construction, construction-related services, and certain non-construction-related services totaled \$4.1 million for the Truckee Meadows Water Reclamation Facility improvements. Of this amount, the City's share is \$2.8 million.

### **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, management believes that, except as discussed in the following paragraph, most of these claims will settle for substantially less than the claimed amount and 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.

A City employee filed a lawsuit claiming the City violated his federal rights when passed over for promotion three times, allegedly in retaliation for his exercise of rights under the Family Medical Leave Act (FMLA). The City maintains that its actions were not a violation of FMLA. The claimant prevailed in a jury trial on March 2, 2018. The District court entered judgment against the City in the aggregate of \$1,402,326, including back pay, front pay, liquidated damages, attorney's fees/costs, expert fees, and interest. The City appealed to Ninth Circuit Court of Appeals on the basis of five discrete errors of law. The case is still pending.

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 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 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 worker's compensation claim, \$1,000,000 for each general liability claim, and \$50,000 for each property damage claim (except for flood and earthquake occurrences).

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

The City purchases commercial insurance for claims in excess of 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 coverage in any of the past three fiscal years.

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 changes occur in the national economy and Nevada's economy. 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 needed to pay documented claims and establish a reserve for unknown claims.

For the fiscal years ended June 30, 2019, 2018 and 2017, changes in unknown claims liability amounts and claims liability at June 30, 2019, included in self-insurance liability were as follows:

	Risk Retention Internal Service Fund	Self-funded Workers Compensation Fund
Claims liability, June 30, 2017	\$ 2,669,076	\$ 52,488,657
Claims incurred and changes in estimate	291,487	9,094,875
Claims paid	(213,715)	(5,551,061)
Claims liability, June 30, 2018	2,746,848	56,032,471
Claims incurred and changes in estimate	1,570,345	6,941,285
Claims paid	(208,181)	(5,295,198)
Claims liability, June 30, 2019	\$ 4,109,012	\$ 57,678,558
Claims liability, due within one year	\$ 395,865	\$ 6,327,575
Claims liability, due in more than one year	\$ 3,713,147	\$ 51,350,983

### **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 three plan options -- The City of Reno Group Health Plan, the Hometown Health Plan (the City Plan), or The City of Reno High Deductible Health 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 \$400,000 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 Hometown Health Plan are administered by Hometown Health Providers, Inc.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

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, 2019, 2018 and 2017, changes in unknown claims liability amounts were as follows:

	Self-funded Medical Plan Fund
Claims liability, June 30, 2017	\$ 2,995,000
Claims incurred and changes in estimate	24,084,201
Claims paid	<u>(24,156,635)</u>
Claims liability, June 30, 2018	2,922,566
Claims incurred and changes in estimate	24,470,883
Claims paid	<u>(25,104,155)</u>
Claims liability, June 30, 2019	<u>\$ 2,289,294</u>
Claims liability, due within one year	<u>\$ 1,322,382</u>
Claims liability, due in more than one year	<u>\$ 966,912</u>

### **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 or Facility). A committee known as the Reno-Sparks Coordinating Committee advises the Cities' Councils on matters relating to TMWRF. The Cities have joint control in approving budgets for the Facility and providing financing for the operations thereof. As of June 30, 2019, approximately 68.63% of TMWRF's capacity was owned by Reno.

The City of Sparks is responsible for administration and daily operations of the Facility. 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 accumulative deficit.

The City uses the equity method to account for its investment in TMWRF. At June 30, 2019, its investment as reported in its sanitary sewer enterprise fund totaled \$91,275,986, which represents 69.5% of TMWRF's net position. The City's share of TMWRF's net costs for the year ended June 30, 2019, was \$5,329,171, reported as non-operating expense.

The City obtained a loan from the State of Nevada Revolving Loan Fund to finance an expansion project at TMWRF. At June 30, 2019, the City of Reno has recorded \$4,218,272 as a 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.

(Continued)

## CITY OF RENO

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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Commitments outstanding for construction projects at TMWRF at June 30, 2019, totaled approximately \$4.1 million. These commitments will be shared by the City and the City of Sparks based upon their respective allocations related to the associated contracts.

Separate audited 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)

The City, the City of Sparks, and Washoe County (the Joint Venture Participants) purchased water rights pursuant to a 1998 settlement agreement with the Pyramid Lake Paiute Tribe of Indians, U.S. Departments of Justice and the Interior (DOI), the U.S. Environmental Protection Agency (EPA), and the Nevada Division of Environmental Protection. The settlement allowed the Joint Venture Participants to use the full capacity of the Truckee River Valley Water Quality Facility for a one-time cost of \$24,000,000, 50% payable by the DOI and 50% payable by the Joint Venture Participants. The Joint Venture has fulfilled its obligation. The “no equity” Joint Venture is administered by Washoe County and jointly managed by Washoe County, the City of Sparks, and DOI. Each Joint Venture Participant owns an undivided and equal interest in the property and water rights purchased.

Separate financial statements and information for the Joint Venture are available by contacting the Washoe Department of Water Resources, 4930 Energy Way, Reno, Nevada 89502.

#### 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), for the purpose of purchasing the water assets and undertaking 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 issued bonds to purchase the water system and do not constitute an obligation of the Participants or the State of Nevada. The arrangement is considered a joint venture with no equity interest because no explicit and measurable equity interest is deemed to exist. The Authority has a seven-member governing board consisting of director appointments by the City (3), the City of Sparks (2), and Washoe County (1), plus one elected at-large director.

The City provides the Authority with certain services related primarily to employee benefit administration for a monthly fee of \$4,806 for the year ended June 30, 2019. The City also provides maintenance services and fuel for the Authority’s vehicles for a fee which totaled \$458,835 during fiscal year 2019.

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

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

### Defined Benefit Pension Plans

#### Aggregate Balances

At June 30, 2019, the City's aggregate pension plan balances were as follows:

	Public Employees' Retirement System of Nevada	Judicial Retirement System of Nevada	Aggregate Total
Net unamortized deferred outflows of resources related to pensions	\$ 44,890,196	\$ 114,990	\$ 45,005,186
Net pension liability	246,776,316	222,961	246,999,277
Net unamortized deferred inflows of resources related to pensions	25,114,944	158,708	25,273,652
Pension expense	15,023,116	23,832	15,046,948

#### Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The City's employees are covered by the Public Employees' Retirement System of Nevada (PERS), which was established by the Nevada Legislature in 1947, effective July 1, 1948, and is governed by the Public Employees Retirement Board (the PERS Board) whose seven members are appointed by the governor. The City does not exercise any control over PERS.

PERS is a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

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

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

Post-retirement increases are provided by authority of NRS 286.575 - .579, which for members entering the system before January 1, 2010, is equal to the lesser of:

- 1) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or
- 2) The average percentage increase in the Consumer Price Index (or other PERS Board approved index) for the three preceding years.

(Continued)

## CITY OF RENO

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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In any event, a member's benefit must be increased by the percentages in paragraph 1, above, if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other PERS Board approved index) for the period between retirement and the date of increase.

For members entering the system on or after January 1, 2010, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

For members with an effective date of membership on or after July 1, 2015, the post-retirement increases are 2% per year following the third anniversary of the commencement of benefits, 2.5% per year following the sixth anniversary, the lesser of 3% or the CPI for the preceding calendar year following the ninth anniversary.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with 30 years of service.

Police/fire members are eligible for retirement at age 65 with five years of service, at age 55 with 10 years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/fire members entering the system on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with 10 years of service, or age 50 with 20 years of service, or at any age with 30 years of service. Only service performed in a position as a police officer or firefighter may be counted toward the eligibility for retirement as police/fire accredited service.

The normal ceiling limitation on the monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both regular and police/fire members become fully vested as to benefits upon completion of five years of service.

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS. New hires, in agencies which did not elect the employer-pay contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two alternative contribution plans. Contributions are shared equally by employer and employee in which employees can take a reduced salary and have contributions made by the employer or can make contributions by a payroll deduction matched by the employer.

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

PERS receives an actuarial valuation on an annual basis for determining the prospective funding contribution rates required to fund the system on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by NRS. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuary funding method used is the entry age normal cost method. It is intended to meet the funding objective and results in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2019, the required contribution rates for regular members is 14.5% and 20.75% for police/fire members. The EPC rate was 28% for regular and 40.5% for police/fire members.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

PERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplemental information. This report is available on the PERS's website, [www.nvpers.org](http://www.nvpers.org) under publications.

The total PERS pension liability was determined using GASB stipulated valuation assumptions that may vary from those used to determine prospective funding contribution rates. The following actuarial assumptions were applied to all periods included in the measurement and based on the results of an experience review completed in October 2017:

Actuarial valuation date	June 30, 2018
Inflation rate	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Discount rate	7.50%
Productivity pay increase	0.50%
Consumer price index	2.75%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases

The total PERS pension liability was determined using the following actuarial assumptions applied to all periods included in the measurement:

Age	Mortality Rates		Expected Years of Life Remaining	
	Males	Females	Males	Females
40	0.20 %	0.14 %	40.4	43.6
50	0.49 %	0.38 %	31.4	34.5
60	0.90 %	0.59 %	23.2	25.9
70	1.81 %	1.26 %	15.6	17.7
80	4.55 %	3.42 %	9.1	10.5

These mortality rates and projected life expectancies are based on the following:

Healthy: Headcount–Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount–Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016.

Disabled: Headcount–Weighted RP-2014 Disabled Retiree Table, set forward four years.

Pre-retirement: Headcount–Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.

The RP-2014 Headcount–Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

PERS's policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The target asset allocation policy as of the actuarial valuation date was as follows:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
Domestic equity	42 %	5.50 %
International equity	18 %	5.75 %
Domestic fixed income	30 %	0.25 %
Private markets	10 %	6.80 %

\* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 2.75%.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on that assumption, PERS's fiduciary net position at June 30, 2018, was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

The City's proportionate share of the net pension liability at the actuarial valuation date using the selected discount rate of 7.50% and the estimated liability if the rate varied by 1% follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	\$ 376,323,894	\$ 246,776,316	\$ 139,129,823

Detailed information about PERS fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website, [www.nvpers.org](http://www.nvpers.org) under publications. PERS fiduciary net position and additions to/deductions from it have been determined on the same basis used in the PERS Comprehensive Annual Financial Report. PERS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City's 1.80951% proportionate share of PERS' collective net pension liability at the actuarial valuation date was \$246,776,316. The City's relative contributions for the related fiscal year was used to determine its proportionate share.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

For the period ending on the actuarial valuation date, the City's pension expense was \$15,023,116 and its reported deferred outflows and inflows of resources were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,730,811	\$ 11,454,658
Changes of assumptions	13,003,550	
Net difference between projected and actual earnings on investments		1,174,896
Changes in proportion and differences between actual contributions and proportionate share of contributions	8,406,740	12,485,390
Contributions made subsequent to the measurement date	15,749,095	

At June 30, 2018, the average expected remaining service life is 6.22 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the actuarial valuation date totaling \$16,786,817 will be recognized as a reduction of the net pension liability in the year beginning June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ending June 30,			
2020		\$ 2,805,933	
2021		747,322	
2022		(1,923,655)	
2023		1,041,073	
2024		1,193,629	
Thereafter		161,855	

Changes in the City's net pension liability were as follows:

Net pension liability, beginning of year	\$ 247,778,053
Pension expense	15,023,116
Employer contributions	(16,786,817)
Net new deferred inflows and outflows of resources	761,964
Net pension liability, end of year	\$ 246,776,316

At June 30, 2019, accrued salaries and benefits included \$3,945,096 payable to PERS for required contributions relating to the last month of the fiscal year.

#### Agent Multiple-Employer Defined Benefit Pension Plan

The City's municipal court judges and justices of the peace may, in certain circumstances, elect to be covered by the Judicial Retirement System of Nevada (JRS), an agent multiple employer defined benefit public employees' retirement system. JRS was established by the Nevada Legislature in July 2001, effective January 1, 2003, to provide a reasonable base retirement income to justices of the Supreme Court and district judges and was amended in 2005 to allow municipal court judges and justices of the peace to participate. JRS is administered and governed by the Public Employees Retirement Board (the JRS Board) whose seven members are appointed by the governor. The City does not exercise any control over JRS.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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Benefits are paid according to various options contained in the NRS, dependent upon whether a member was serving as a Supreme Court justice or district judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002, may select among the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002, are only eligible for the first option below.

**2003 Benefit Plan:** Benefits, as required by NRS, are computed at 3.4091% per year of accredited service at the time of retirement times the member's highest average compensation in any 36 consecutive months, to a maximum of 75%. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

**Previous Benefit Plan:** Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, may select benefit payments computed at 4.1666% for the first five years of service and 4.1666% for each year of service beyond five years, up to a total maximum of 22 years, times the member's compensation for their last year of service.

Members who retired under the Previous Benefit Plan (plan in effect before November 5, 2002) and are appointed as senior judges can earn service credit while receiving their pension payments. They are eligible to have their benefit recalculated each time they earn an additional year of service credit.

Members enrolled in the JRS on or after July 1, 2015, will receive 3.1591% for each year of service. Each member is entitled to a benefit of not more than 75% and must contribute 50% of the contribution rate through payroll deductions. Annual compensation allowed to be taken into account in determining retirement benefits is limited to \$200,000 (adjusted for Consumer Price Index (all items)).

JRS members become fully vested after five years of service. A member is eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with 30 years of service. For those members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, and selected the second benefit option, eligibility for retirement is at age 60 with five years of service.

JRS members enrolled on or after July 1, 2015, become fully vested after five years of service and is eligible for retirement at age 65 with five years of service, at age 62 with 10 years of service, at age 55 with 30 years of service, and at any age with 33 1/3 years of service.

Post-retirement increases are provided by authority of the NRS, which for members entering the system before January 1, 2010, is equal to the lesser of:

- 1) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or
- 2) The average percentage increase in the Consumer Price Index (or other JRS Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph 1, above, if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other JRS Board approved index) for the period between retirement and the date of increase.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

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For members entering the system on or after January 1, 2010, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

For JRS members entering the system on or after July 1, 2015, the post-retirement increases will be 2.0% per year following the third through fifth anniversaries of the commencement of benefit and 2.5% per year following the sixth through eighth anniversaries. On succeeding anniversaries, the annual increase shall be the lessor of 3.0% or the Consumer Price Index (All Items) for the preceding calendar year.

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS 1A.180(1). Participating employers pay JRS a contribution rate, which is actuarially determined to be sufficient to enable JRS to pay all liabilities for current benefits for their members and retirees. JRS administrative expenses are the responsibility of the participating employers and are included as a component of JRS contribution rate.

At June 30, 2018, JRS membership consisted of:

Active members	113
Inactive vested members	4
Retired members and beneficiaries	<u>73</u>
	<u><u>190</u></u>

The amount of annual contribution required to fund JRS is comprised of a normal cost payment and a payment on the Unfunded Actuarial Accrued Liability (UAAL). Effective January 1, 2009, UAAL is amortized over a year-by-year closed amortization period as a level percent of pay (3% payroll growth assumed) where each amortization period will be set at 30 years for Supreme Court justices and district judges and 20 years for municipal court judges and justices of the peace. The payment to amortize the UAAL is paid annually for Supreme Court justices and district judges and monthly for municipal court judges and justices of the peace.

The JRS net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date using June 30, 2018, census data.

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

The total JRS pension liability was determined using the following actuarial assumptions (based on the results of an experience study dated October 16, 2017):

Actuarial valuation date	June 30, 2018
Inflation rate	2.75%
Payroll growth	3.00% to 8.00%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Discount rate	7.50%
Consumer price index	2.75%
Asset valuation method	The actuarial value of assets is equal to the prior year's actuarial value of assets plus contributions and net transfers, less benefit payments and expenses, plus expected investment return, and 20% of each of the previous five years' gain/(loss) due to investment return greater/(less) than expected. The actuarial value of assets is further limited to not less than 70% or greater than 130% of the market value of assets.
Actuarial cost method	Entry age normal
Amortization method	Year-by-year closed amortization period as a level percent of pay (3% payroll growth assumed) where each amortization period will be set at: 30 years for Supreme Court justices and district judges and 20 years for each non-state agency
Mortality rates	Post-retirement: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries.

For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality rate at age 50 from the Employee mortality tables listed above. The mortality rates are then projected to 2020 with Scale MP-2016.

Pre-retirement: Headcount-Weighted RP-2014 Employee Mortality Tables, projected to 2020 with Scale MP-2016.

JRS policies which determine the investment portfolio target asset allocation are established by the JRS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of JRS. The following target asset allocation policy was adopted as of June 30, 2018:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	49 %	6.60 %
International equity	21 %	7.37 %
Domestic fixed income	30 %	0.36 %

These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 2.75%.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

The City's JRS net pension liability at June 30, 2018, calculated using the discount rate of 7.50%, as well as what the City's JRS net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	\$ 484,581	\$ 222,961	\$ 911

JRS issues a publicly available Annual Financial Report that includes financial statements and required supplemental information. This report is available by writing to JRS at 693 West Nye Lane, Carson City, Nevada 89703. In addition, JRS is classified as a component unit of the State of Nevada, and as such JRS financial information is included in the State of Nevada's Comprehensive Annual Financial Report. JRS fiduciary net position and related additions to/deductions from it have been determined on the same basis used in the JRS Annual Financial Report. JRS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City's share of the JRS net pension liability was \$222,961, which represents 1.66982% of the JRS net pension liability. Each employer's proportion of the net pension liability is based on their contributions relative to the total contributions for all employers for the period ended June 30, 2018.

For the period ended June 30, 2018, the City's JRS pension expense was \$23,832 and its reported deferred outflows and inflows of resources related to JRS pensions as of June 30, 2018, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,251	\$ 94,900
Changes of assumptions	725	
Net difference between projected and actual earnings on investments		2,117
Other changes	10,894	61,691
Contributions made subsequent to the measurement date	89,120	

At June 30, 2018, the average expected remaining service life is 4.72 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30,			
2020		\$	(14,377)
2021			(36,154)
2022			(55,462)
2023			(26,845)

Changes in the City's net JRS pension liability were as follows:

Net pension liability, beginning of year	\$ 305,331
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(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2019**

Pension expense	23,832
Employer contributions	(88,617)
Change in net deferred inflows and outflows of resources	<u>(17,585)</u>

Net pension liability, end of year \$ 222,961

At June 30, 2019, approximately \$8,227 was payable to JRS, for the June 2019 required contribution.

### **Postemployment Benefits Other Than Pensions (OPEB) and OPEB Trust Fund**

#### Aggregate Balances

At June 30, 2019, the City's aggregate OPEB plan balances were as follows:

	Public Employee Benefit Program	City of Reno Plan	Aggregate Total
Net OPEB assets administered through an irrevocable employee benefit trust fund	\$	\$ 9,405,532	\$ 9,405,532
Net unamortized deferred outflows of resources related to OPEB		568,563	568,563
Total OPEB liability	2,816,189	232,643,443	235,459,632
Net OPEB liability	2,816,189	223,237,911	226,054,100
Net unamortized deferred inflows of resources related to OPEB		40,174	40,174
OPEB expense	105,431	6,572,369	6,677,800

#### Plan Information

In accordance with NRS, the City provides other postemployment benefits to eligible retirees through the following plans:

The Nevada Public Employee Benefit Program (PEBP), a multiple-employer cost sharing plan, administered by a ten member governing board appointed by the Governor, including an Executive Officer who directs the program and serves at the pleasure of the Board.

The City of Reno Plan (City Plan), a single-employer defined benefit plan, administered by City management.

Both plans provide healthcare, dental, vision and life insurance benefits. Eligible pre-Medicare retirees that are not eligible for PEBP, can receive coverage through the City Plan. 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.

PEBP issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by writing or calling the following:

Public Employee Benefit Plan  
901 South Stewart Street, Suite 101  
Carson City, NV 89701  
(775) 684-7000

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

The City Plan does not issue a separate financial report; however, additional information may be obtained by writing or calling the following:

City of Reno  
 Finance Department  
 One East First Street, P. O. Box 1900  
 Reno, Nevada, 89505

PEBP 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 December 1, 2008. No future retirees are eligible for this benefit.

The City is required to provide a subsidy, based on years of service for a closed group of its retirees that have enrolled in PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. For 2019, this subsidy ranged from \$164 to \$761 per retiree, per month.

Eligibility and subsidy requirements for the City Plan 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. For 2019, the cost to the City range from \$319 to \$664 per retiree per month (approximately 50% to 100% of the full medical premium) and varies based on applicable bargaining unit contracts.

At June 30, 2019, employees covered by OPEB benefit terms consisted of:

	Public Employee Benefit Program	City of Reno Plan	Aggregate Total
Active members		1,153	1,153
Inactive employees currently receiving benefit payments	148	733	881
Inactive employees entitled to, but not yet receiving benefit payments		23	23
	148	1,909	2,057

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

#### Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions (based on the results of an experience review completed in 2018), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2017
Measurement date	June 30, 2019
Inflation rate	2.75% per year
Salary changes	City Plan - 4.0% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years
	PEBP - not applicable, there are no active employees in this plan
Discount rate	2.92% as of June 30, 2018
	3.51% as of June 30, 2019
Discount rate source	Bond Buyer General Obligation 20-Bond Municipal Bond Index
Postemployment benefit changes	None
Actuarial cost method	Entry Age Normal Cost, closed group, level percent of pay
Healthcare cost trend rates	6.25%, decreasing to an ultimate rate of 5% for 2024 and subsequent years
Asset valuation method	Market value of assets
Long-term return on assets	7.5% as of June 30, 2018 and June 30, 2019, net of plan investment expenses and including inflation

There were no changes in OPEB benefit terms that affected the measurement of the City's total OPEB liability during the period ended June 30, 2019.

The City Plan mortality rates were based on the following:

Pre-retirement life rates - Headcount-Weighted RP-2014 Employee Table

Non-disabled life rates - Headcount-Weighted RP-2014 Healthy Annuitant Table set forward 1 year

The mortality rates described above were then adjusted to anticipate future mortality improvement by applying MacLeod Watts Scale 2014 on a generational basis from 2017 forward. In laymen's terms, this means mortality is projected to improve each year until the payments anticipated in any future year occur.

The PEBP mortality rates were based on the following:

Non-disabled life rates - Headcount-Weighted RP-2014 Healthy Annuitant Table set forward 1 year

Disabled life rates - Headcount-Weighted RP-2014 Disabled Retiree Table set forward 4 years

The City's total OPEB liability at June 30, 2019, calculated using the discount rate of 3.51%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate was as follows:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Total OPEB liability	\$ 272,149,631	\$ 232,643,443	\$ 201,351,580
Net OPEB liability	\$ 262,744,099	\$ 223,237,911	\$ 191,946,048

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2019

The City's total OPEB liability at June 30, 2019, calculated using the healthcare trend rate of 6.25%, decreasing to an ultimate rate of 5% for 2024 and subsequent years, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1.00% lower or 1.00% higher than the current healthcare trend rate was as follows:

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Total OPEB liability	\$ 187,479,750	\$ 232,643,443	\$ 297,101,535
Net OPEB liability	\$ 178,074,218	\$ 223,237,911	\$ 287,696,003

At June 30, 2019, changes in the City's total OPEB liability were as follows:

	Public Employee Benefit Program	City of Reno Plan	Aggregate Total
Service cost	\$	\$ 8,593,105	\$ 8,593,105
Interest on total OPEB liability	76,343	6,837,082	6,913,425
Changes in benefit terms			
Differences between expected and actual experience			
Changes of assumptions or other inputs	221,622	(4,406,354)	(4,184,732)
Benefit payments	<u>(192,534)</u>	<u>(7,867,859)</u>	<u>(8,060,393)</u>
Net change in total OPEB liability	105,431	3,155,974	3,261,405
Total OPEB liability, beginning of year	<u>2,710,758</u>	<u>229,487,469</u>	<u>232,198,227</u>
Total OPEB liability, end of year	2,816,189	232,643,443	235,459,632
Net OPEB assets administered through an irrevocable employee benefit trust fund		<u>9,405,532</u>	<u>9,405,532</u>
Net OPEB liability, end of year	<u>\$ 2,816,189</u>	<u>\$ 223,237,911</u>	<u>\$ 226,054,100</u>

For the period ended June 30, 2019, the City's OPEB expense was \$15,429,478 and its reported deferred outflows and inflows of resources related to OPEB as of June 30, 2019, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 40,174
Changes of assumptions and other inputs	(4,475,513)	3,906,950

Amounts reported as deferred inflows of resources related to OPEB will be recognized in employee benefit expense as follows:

For the Year Ended June 30,			
2020		\$	552,356
2021			104,958
2022			344,729
2023			22,787
2024			(7,312)
Thereafter			(489,129)

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### Employee Benefit Trust Fund

In a prior fiscal year, the City approved the creation of an employee benefit trust fund. The trust fund is intended to qualify as a government irrevocable trust established to provide an essential governmental function (to fund future OPEB obligations) under IRS Code Section 115 and pursuant to NRS 287.017. The trust fund assets are separate from the City's, are held for the benefit of OPEB plan participants and beneficiaries and invested in the Retirement Benefits Investment Fund (RBIF), which is managed through an intrastate interlocal agreement with the Retirement Benefits Investment Board, located at 693 W. Nye Lane, Carson City, Nevada. During fiscal year 2019, the City made contributions to the trust fund totaling \$8,857,110, paid benefits from the trust fund totalling \$7,867,859 and the net asset value was \$9,405,532 at June 30, 2019. Contributions to are determined at the City's discretion through its annual budget process to be paid from the City's general, internal service and enterprise funds.

### Special Ad Valorem Capital Projects Fund

For the year ended June 30, 2019 pursuant to NRS 354.598155, the Special Ad Valorem Capital Projects Fund expended \$674,616 on the following projects:

Traffic calming projects	\$	34,725
Tennis center parking and ADA improvements		116,570
IT communication equipment		<u>523,320</u>
	\$	<u><u>674,615</u></u>

### Subsequent Events

Events subsequent to June 30, 2019, through the date that these financial statements were available of issuance were evaluated by the management who determined that no additional recognition or disclosure in these financial statements is necessary.

On August 26, 2019, the City Council passed Resolution No. 8704, a resolution of intent, proposing the issuance of, and authorizing the publication of notices relating to, general obligation (limited tax) sewer bonds (additionally secured by pledged revenues) in the maximum principal amount of \$55,000,000 for the purpose of financing sewerage projects for the City. The sale of these bonds is expected to close on February 20, 2020.

On September 11, 2019, the City Council passed Resolution No. 8713 authorizing medium-term obligations in an amount up to \$6.5 million in order to finance the City's fire apparatus replacement program, and authorizing their sale. The general obligation medium-term obligations will mature within 10 years of the date of issuance, and the sale is expected to close the week of December 16, 2019.

On August 29, 2019, the City purchased the former Reno-Gazette Journal building for \$7,000,000 with the intent of converting the building into the new public safety (police) headquarters. The improvements to the building will cost an estimated \$26 million to be funded from private grant donations, available City funds, and the issuance of medium-term debt in an amount yet to be determined.



**REQUIRED SUPPLEMENTARY  
INFORMATION**



**CITY OF RENO**

**POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2019 AND LAST NINE FISCAL YEARS<sup>1</sup>**

	<u>Service Cost</u>	<u>Interest on Total OPEB Liability</u>	<u>Changes in Benefit Terms</u>	<u>Differences Between Expected and Actual Experience</u>	<u>Changes in Assumptions or Other Inputs</u>	<u>Benefit Payments</u>	<u>Net Change in Total OPEB Liability</u>	<u>Total OPEB Liability, Beginning of Year</u>	<u>Total OPEB Liability, End of Year</u>	<u>Covered- Employee Payroll</u>	<u>Total OPEB Liability, End of Year as a Percentage of Covered- Employee Payroll</u>
Public Employee Benefit Program											
2018	\$	<sup>2</sup> \$ 83,677		\$	\$ 55,285	\$ (203,156)	\$ (64,194)	\$ 2,774,952	\$ 2,710,758	\$	<sup>2</sup>
2019		<sup>2</sup> 76,343			221,622	(192,534)	105,431	2,710,758	2,816,189		<sup>2</sup>
City of Reno Plan											
2018	7,838,012	6,869,650			6,955,870	(7,631,378)	14,032,154	215,455,315	229,487,469	96,695,325	237.33 %
2019	8,593,105	6,837,082			(4,406,354)	(7,867,859)	3,155,974	229,487,469	232,643,443	110,713,117	210.13 %

1. Information for Postemployment Benefits Other Than Pension is not available for years prior to the year ended June 30, 2018. As additional information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.  
2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

# CITY OF RENO

## MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION FOR THE YEAR ENDED JUNE 30, 2018 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Year Ended June 30,</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportion of the Collective Net Pension Liability as a Percentage of Covered Employee Payroll</u>	<u>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</u>
2014	1.88407 %	\$ 247,751,652	\$ 93,801,378	264.12368 %	76.31210 %
2015	1.80849 %	207,243,295	81,971,840	252.82255 %	75.12612 %
2016	1.76966 %	238,145,028	86,413,601	275.58744 %	72.20000 %
2017	1.86301 %	247,778,053	96,062,490	257.93424 %	74.41654 %
2018	1.80951 %	246,776,316	96,221,810	256.46609 %	75.23537 %

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the fiscal year ended June 30, 2014. As information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

**CITY OF RENO**

**MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN  
PROPORTIONATE SHARE OF STATUTORILY REQUIRED CONTRIBUTION INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019 AND LAST NINE FISCAL YEARS<sup>1</sup>**

<u>For the Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 28,070,303	\$ 28,070,303	\$	\$ 81,971,840	34.24384 %
2016	29,918,043	29,918,043		86,413,601	34.62191 %
2017	32,030,815	32,030,815		96,062,490	33.34373 %
2018	33,581,449	33,581,449		96,221,810	34.90004 %
2019	35,247,737	35,247,737		101,018,373	34.89240 %

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the fiscal year ended June 30, 2015. As information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.
2. Covered employee payroll has been corrected for prior years to meet the definition stated in GASB Statement No. 82.

**CITY OF RENO**

**AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2018 AND LAST NINE FISCAL YEARS<sup>1</sup>**

<u>For the Year Ended June 30,</u>	<u>Net Pension Liability, Beginning of Year</u>	<u>Pension Expense</u>	<u>Employer Contributions</u>	<u>Change in Net Deferred Outflows and Inflows</u>	<u>Net Pension Liability, End of Year</u>
2014	\$ 633,551	\$ 81,208	\$ (137,885)	\$ (197,401)	\$ 379,473
2015	379,473	89,094	(140,414)	147,846	475,999
2016	475,999	51,209	(96,710)	(51,041)	379,457
2017	379,457	34,038	(92,679)	(15,485)	305,331
2018	305,331	23,832	(88,617)	(17,585)	222,961

1. Information for the agent multiple-employer defined benefit pension plan is not available for years prior to the fiscal year ended June 30, 2014. As becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

# CITY OF RENO

## AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN PENSION PLAN INFORMATION FOR THE YEAR ENDED JUNE 30, 2018 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Year Ended June 30,</u>	<u>Total Pension Plan Liability</u>	<u>Pension Plan Fiduciary Net Position</u>	<u>Net Pension Plan Liability</u>	<u>Pension Plan Fiduciary Net Position as a Percentage of Total Pension Plan Liability</u>	<u>Pension Plan Covered Employee Payroll</u>	<u>Net Pension Plan Liability as a Percentage of Pension Plan Covered Employee Payroll</u>
2014	\$ 108,630,337	\$ 92,113,212	\$ 16,517,125	84.79511 %	\$ 16,517,125	100.00000 %
2015	119,810,260	98,944,699	20,865,561	82.58450 %	18,933,500	110.20446 %
2016	123,753,035	101,101,940	22,651,095	81.69653 %	19,929,944	113.65358 %
2017	133,560,566	114,498,900	19,061,666	85.72807 %	20,995,038	90.79129 %
2018	137,726,452	124,374,024	13,352,428	90.30511 %	20,451,176	65.28929 %

1. Information for the agent multiple-employer defined benefit pension plan is not available for years prior to the year ended June 30, 2014. As becomes available this schedule will ultimately present information for the ten most recent fiscal years.

## CITY OF RENO

### AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN ACTUARIALLY DETERMINED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2019 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Year Ended June 30,</u>	<u>Actuarially Required Contribution</u>	<u>Contributions Made</u>	<u>Contribution (Deficiency) Excess</u>	<u>Covered Employee Payroll</u>	<u>Contributions Made as a Percentage of Covered Employee Payroll</u>
2015	\$ 140,925	\$ 140,414	\$ (511)	\$ 454,597	30.88758 %
2016	103,271	102,435	(836)	477,580	21.44876 %
2017	104,381	92,679	(11,702)	499,655	18.54860 %
2018	90,754	87,316	(3,438)	491,419	17.76814 %
2019	102,475	88,617	(13,858)	350,579	25.27733 %

1. Information for the agent multiple-employer defined benefit pension plan is not available for years prior to the fiscal year ended June 30, 2015. As becomes available this schedule will ultimately present information for the ten most recent fiscal years.

**CITY OF RENO**

**GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2019**

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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, 2019

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 50,943,514	\$ 50,943,514	\$ 53,269,754	\$ 2,326,240
Business licenses, permits, franchise and other fees				
Business licenses and permits				
Business licenses	17,109,260	17,159,260	18,365,130	1,205,870
City gaming licenses	1,830,000	1,830,000	1,935,624	105,624
Liquor licenses	1,837,500	1,837,500	1,999,702	162,202
Excavation and encroachment permits			311	311
Franchise fees				
Electricity	9,400,000	9,400,000	10,459,152	1,059,152
Telephone	2,914,619	2,914,619	2,777,762	(136,857)
Natural gas	3,030,000	3,030,000	3,147,058	117,058
Sanitation	3,900,000	3,900,000	4,456,330	556,330
Sewer	3,552,500	3,552,500	3,729,957	177,457
Cable television	2,215,000	2,215,000	2,342,652	127,652
Non-business licenses and permits			11,015	11,015
Other			1,414	1,414
Intergovernmental shared revenues				
Federal grants		1,473,759	1,407,165	(66,594)
State grants		45,629	43,293	(2,336)
State shared revenues				
Consolidated taxes	66,623,348	68,123,348	68,673,947	550,599
Dedicated sales taxes	595,650	1,345,650	1,247,683	(97,967)
Local government shared revenues				
County gaming licenses	1,420,000	1,420,000	1,394,201	(25,799)
SCCR (AB104) taxes	4,159,895	4,159,895	3,946,925	(212,970)
County capital project taxes			8,868	8,868
Marijuana	319,349	319,349	310,579	(8,770)
Other	32,000	192,255	603,187	410,932
Charges for services				
General government				
Administrative fees	161,300	161,300	177,427	16,127
TMWA contract payment	57,677	57,677	57,677	
Indirect cost allocations	3,684,516	3,801,934	3,801,934	
Judicial				
Municipal court charges	66,450	66,450	81,278	14,828
Public safety				
Police service charges	650,000	650,000	819,889	169,889
Dispatch charges	191,243	191,243	296,865	105,622
Work permits	40,000	40,000	71,916	31,916
Fire service charges	819,096	2,638,156	2,487,486	(150,670)
Culture and recreation				
Swimming pool fees	298,316	297,166	365,055	67,889
Culture and recreation fees	3,137,667	3,250,028	3,949,132	699,104
Public works				
Parking receipts	1,045,000	1,045,000	1,193,892	148,892
Community development and support				
Planning fees	569,000	569,000	635,290	66,290
Planning application fees	610,000	610,000	646,829	36,829
Other	9,516	9,516	18,196	8,680
Fines and forfeits				
Court and administrative fees	1,827,433	1,827,433	2,050,254	222,821
Delinquent license penalties	400,000	400,000	901,582	501,582
Special assessments				
Downtown police district			4,021	4,021
Tax maintenance district			1,250	1,250
Special assessments districts	2,350,000	2,350,000	2,339,335	(10,665)
Miscellaneous				
Investment income	150,000	150,000	1,044,010	894,010
Rents and royalties	608,308	608,308	508,753	(99,555)

# CITY OF RENO

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance
Reimbursements and restitutions	821,841	1,349,440	1,498,033	148,593
Private grants and contributions	287,500	472,239	487,169	14,930
Other	7,938	7,938	80,175	72,237
Total revenues	187,675,436	194,415,106	203,649,157	9,234,051
<b>EXPENDITURES</b>				
General government				
City manager				
Salaries and wages	3,661,884	3,658,242	3,453,274	204,968
Employee benefits	1,547,164	1,524,673	1,431,499	93,174
Services and supplies	2,618,544	3,112,934	2,585,973	526,961
Total city manager	7,827,592	8,295,849	7,470,746	825,103
Finance				
Salaries and wages	1,203,170	1,178,689	1,053,162	125,527
Employee benefits	620,563	620,563	540,629	79,934
Services and supplies	282,080	393,730	312,401	81,329
Total finance	2,105,813	2,192,982	1,906,192	286,790
City attorney				
Salaries and wages	2,740,477	2,753,772	2,650,259	103,513
Employee benefits	1,346,853	1,333,558	1,230,251	103,307
Services and supplies	362,775	362,225	177,212	185,013
Total city attorney	4,450,105	4,449,555	4,057,722	391,833
Human resources				
Salaries and wages	825,261	908,156	777,938	130,218
Employee benefits	509,051	546,329	350,560	195,769
Services and supplies	407,193	404,070	283,659	120,411
Total human resources	1,741,505	1,858,555	1,412,157	446,398
Civil service				
Salaries and wages	290,017	167,217	183,325	(16,108)
Employee benefits	141,343	110,743	75,679	35,064
Services and supplies	78,344	298,737	236,738	61,999
Total civil service	509,704	576,697	495,742	80,955
Communications and technology				
Salaries and wages	1,904,524	1,976,050	1,721,604	254,446
Employee benefits	987,831	1,021,154	845,301	175,853
Services and supplies	2,603,500	3,743,410	2,837,689	905,721
Capital outlay	250,000	250,000	259,511	(9,511)
Total communications and technology	5,495,855	6,990,614	5,664,105	1,326,509
City council				
Salaries and wages	534,250	534,250	527,635	6,615
Employee benefits	396,215	396,215	384,262	11,953
Services and supplies	628,732	552,890	514,731	38,159
Total city council	1,559,197	1,483,355	1,426,628	56,727
City clerk				
Salaries and wages	529,221	529,221	465,229	63,992
Employee benefits	296,329	296,329	241,315	55,014
Services and supplies	371,210	383,210	314,845	68,365
Total city clerk	1,196,760	1,208,760	1,021,389	187,371
Total general government	24,886,531	27,056,367	23,454,681	3,601,686

# CITY OF RENO

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Judicial				
Municipal court				
Salaries and wages	3,973,005	4,064,005	3,989,739	74,266
Employee benefits	2,189,417	2,189,417	2,092,592	96,825
Services and supplies	<u>1,003,099</u>	<u>1,205,485</u>	<u>1,136,295</u>	<u>69,190</u>
Total judicial	<u>7,165,521</u>	<u>7,458,907</u>	<u>7,218,626</u>	<u>240,281</u>
Public safety				
Police				
Salaries and wages	40,034,376	40,577,087	40,436,646	140,441
Employee benefits	23,564,032	23,737,444	23,467,009	270,435
Services and supplies	6,009,659	6,511,014	6,353,876	157,138
Capital outlay	<u>142,200</u>	<u>245,789</u>	<u>213,944</u>	<u>31,845</u>
Total police	<u>69,750,267</u>	<u>71,071,334</u>	<u>70,471,475</u>	<u>599,859</u>
Fire				
Salaries and wages	27,820,728	30,177,604	30,515,401	(337,797)
Employee benefits	17,014,870	17,099,214	16,865,358	233,856
Services and supplies	2,756,895	3,444,105	3,532,223	(88,118)
Capital outlay	<u>250,000</u>	<u>328,369</u>	<u>87,646</u>	<u>240,723</u>
Total fire	<u>47,842,493</u>	<u>51,049,292</u>	<u>51,000,628</u>	<u>48,664</u>
Dispatch				
Salaries and wages	4,169,438	4,131,638	4,064,659	66,979
Employee benefits	2,155,458	2,154,910	1,904,224	250,686
Services and supplies	<u>239,110</u>	<u>290,959</u>	<u>292,332</u>	<u>(1,373)</u>
Total dispatch	<u>6,564,006</u>	<u>6,577,507</u>	<u>6,261,215</u>	<u>316,292</u>
Total public safety	<u>124,156,766</u>	<u>128,698,133</u>	<u>127,733,318</u>	<u>964,815</u>
Public works				
Various				
Salaries and wages	2,860,702	2,967,272	2,715,526	251,746
Employee benefits	1,470,308	1,521,110	1,361,775	159,335
Services and supplies	<u>1,803,369</u>	<u>1,998,340</u>	<u>1,887,782</u>	<u>110,558</u>
Total public works	<u>6,134,379</u>	<u>6,486,722</u>	<u>5,965,083</u>	<u>521,639</u>
Culture and recreation				
Parks and recreation				
Salaries and wages	6,053,102	6,055,102	5,889,319	165,783
Employee benefits	2,706,984	2,706,984	2,361,021	345,963
Services and supplies	2,001,080	2,331,374	2,244,555	86,819
Capital outlay	<u>72,500</u>	<u>146,635</u>	<u>117,464</u>	<u>29,171</u>
Total culture and recreation	<u>10,833,666</u>	<u>11,240,095</u>	<u>10,612,359</u>	<u>627,736</u>
Planning and community development				
Various				
Salaries and wages	2,024,601	2,140,812	1,920,626	220,186
Employee benefits	1,007,241	1,047,471	915,030	132,441
Services and supplies	<u>997,411</u>	<u>1,220,181</u>	<u>768,313</u>	<u>451,868</u>
Total planning and community development	<u>4,029,253</u>	<u>4,408,464</u>	<u>3,603,969</u>	<u>804,495</u>

# CITY OF RENO

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other				
Retired employees trust				
Employee benefits	6,231,847	5,883,484	5,982,132	(98,648)
Various				
Services and supplies	4,397,206	5,737,206	4,893,813	843,393
Total other	<u>10,629,053</u>	<u>11,620,690</u>	<u>10,875,945</u>	<u>744,745</u>
Debt service				
Principal payments	534,486	534,486	534,485	1
Interest expense and fiscal charges	2,539	2,539	2,539	
Total debt service	<u>537,025</u>	<u>537,025</u>	<u>537,024</u>	<u>1</u>
Total expenditures	<u>188,372,194</u>	<u>197,506,403</u>	<u>190,001,005</u>	<u>7,505,398</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(696,758)</u>	<u>(3,091,297)</u>	<u>13,648,152</u>	<u>16,739,449</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal		(13,607)	46,716	60,323
Transfers in	1,971,010	1,986,010	1,971,010	(15,000)
Transfers out	(4,431,564)	(14,870,080)	(14,437,396)	432,684
Contingencies	(800,000)	(253,923)		253,923
Total other financing sources (uses)	<u>(3,260,554)</u>	<u>(13,151,600)</u>	<u>(12,419,670)</u>	<u>731,930</u>
CHANGE IN FUND BALANCE	(3,957,312)	(16,242,897)	1,228,482	17,471,379
FUND BALANCE, BEGINNING OF YEAR	<u>12,145,025</u>	<u>19,033,597</u>	<u>31,291,968</u>	<u>12,258,371</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,187,713</u>	<u>\$ 2,790,700</u>	<u>\$ 32,520,450</u>	<u>\$ 29,729,750</u>

# **CITY OF RENO**

## **MAJOR SPECIAL REVENUE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2019**

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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 motor vehicle fuel taxes and street override property tax revenues 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, 2019

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 15,364,021	\$ 15,364,021	\$ 16,016,124	\$ 652,103
Business licenses, permits, franchise and other fees				
Business licenses and permits				
Excavation and encroachment permits	175,000	471,630	515,584	43,954
Other			5,053	5,053
Franchise fees				
Water	2,800,000	2,800,000	3,051,170	251,170
Intergovernmental shared revenues				
Federal grants			297,645	297,645
State shared revenues				
Motor vehicle fuel taxes	6,500,000	6,500,000	7,106,222	606,222
Charges for services				
Public works				
Other			52,010	52,010
Fines and forfeits				
Street patching penalties	500	500	10,257	9,757
Miscellaneous				
Investment income	150,000	150,000	913,509	763,509
Reimbursements and restitutions			377	193,317
Other		64,891	140,343	75,452
<b>Total revenues</b>	<b>24,989,521</b>	<b>25,351,419</b>	<b>28,301,611</b>	<b>2,950,192</b>
<b>EXPENDITURES</b>				
Public works				
Various				
Salaries and wages	5,116,262	5,225,212	4,723,109	502,103
Employee benefits	3,297,152	3,368,252	2,718,055	650,197
Services and supplies	6,579,963	7,349,193	9,870,888	(2,521,695)
Capital outlay	12,675,000	15,548,320	2,071,354	13,476,966
<b>Total expenditures</b>	<b>27,668,377</b>	<b>31,490,977</b>	<b>19,383,406</b>	<b>12,107,571</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(2,678,856)</b>	<b>(6,139,558)</b>	<b>8,918,205</b>	<b>15,057,763</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	150,000	187,023	201,914	14,891
Transfers out	(6,631,500)	(6,631,500)	(6,631,500)	
<b>Total other financing sources (uses)</b>	<b>(6,481,500)</b>	<b>(6,444,477)</b>	<b>(6,429,586)</b>	<b>14,891</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(9,160,356)</b>	<b>(12,584,035)</b>	<b>2,488,619</b>	<b>15,072,654</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>15,103,469</b>	<b>19,353,242</b>	<b>23,688,245</b>	<b>4,335,003</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 5,943,113</b>	<b>\$ 6,769,207</b>	<b>\$ 26,176,864</b>	<b>\$ 19,407,657</b>

# CITY OF RENO

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

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### **Note 1. Postemployment Benefits Other Than Pensions**

For the year ended June 30, 2019, no significant events occurred that effected the benefit provision, size or composition of those covered by the postemployment benefit plans. The only significant change in actuarial methods and assumptions was a decrease in the discount rate from 3.13% at the beginning of the year to 2.92% at the end of the year.

At June 30, 2019, \$9,405,532 assets were accumulated in a qualifying trust in which the assets contributed and earnings thereon are irrevocable, dedicated solely to providing postemployment benefits and are legally protected from creditors.

Actuarial information for postemployment benefits other than pensions is not available for measurement years prior to the year ended June 30, 2018. As information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

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

### **Note 2. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan**

For the year ended June 30, 2018 there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2018.

The actuarial valuation report dated June 30, 2014, was the first valuation for the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional pension plan information can be found in Notes 1 and 4 to the basic financial statements.

### **Note 3. Agent Multiple-Employer Defined Benefit Pension Plan**

For the year ended June 30, 2018, there were no changes in the pension benefit plan terms or the actuarial methods and assumptions used in the actuarial valuation reports dated June 30, 2018.

The actuarial valuation reports dated June 30, 2014, was the first valuation for the agent multiple-employer defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional pension plan information can be found in Notes 1 and 4 to the basic financial statements.

### **Note 4. 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, 2019**

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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.

**Downtown Events Center**

Accounts for the accumulation of resources for payment of bonds issued for the purpose of acquiring the National Bowling Stadium and constructing the Reno Events Center and the Ballroom Facility.

**City of Reno**

Accounts for the accumulation of resources for 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

## DOWNTOWN EVENTS CENTER DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes				
Room and construction taxes	\$ 6,860,000	\$ 6,860,000	\$ 7,353,585	\$ 493,585
Special assessments				
Downtown event center	424,347	424,347	456,109	31,762
Miscellaneous				
Investment income	<u>321,672</u>	<u>321,672</u>	<u>473,626</u>	<u>151,954</u>
Total revenues	<u>7,606,019</u>	<u>7,606,019</u>	<u>8,283,320</u>	<u>677,301</u>
<b>EXPENDITURES</b>				
Debt service				
Principal payments	4,250,000	1,725,000	1,725,000	
Interest expense and fiscal charges	4,617,316	4,484,460	3,905,925	578,535
Payment to current bond refunding agent		81,385,296	81,384,497	799
Debt issuance costs		1,485,041	993,009	492,032
Administrative and other costs	<u>803,000</u>	<u>803,000</u>	<u>340,826</u>	<u>462,174</u>
Total expenditures	<u>9,670,316</u>	<u>89,882,797</u>	<u>88,349,257</u>	<u>1,533,540</u>
<b>OTHER FINANCING SOURCES</b>				
Issuance of debt		85,165,000	85,165,000	
Debt issuance premiums		1,032,815	1,032,815	
Payment to advance refunding bond agent		(11,610,596)	(11,610,596)	
Transfers in	<u>1,000,000</u>	<u>1,000,000</u>	<u>583,333</u>	<u>(416,667)</u>
CHANGE IN FUND BALANCE	(1,064,297)	(6,689,559)	(4,895,385)	1,794,174
FUND BALANCE, BEGINNING OF YEAR	<u>(24,468,326)</u>	<u>(23,251,117)</u>	<u>11,037,875</u>	<u>34,288,992</u>
FUND BALANCE, END OF YEAR	<u><u>\$ (25,532,623)</u></u>	<u><u>\$ (29,940,676)</u></u>	<u><u>\$ 6,142,490</u></u>	<u><u>\$ 36,083,166</u></u>

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
State shared revenues				
Dedicated sales taxes	\$ 1,800,000	\$ 1,800,000	\$ 1,297,216	\$ (502,784)
Other			259,914	259,914
Charges for services				
Public works				
Other	20,000		46,800	46,800
Miscellaneous				
Investment income	2,000	2,000	93,515	91,515
Rents and royalties	990,000	990,000	980,112	(9,888)
Reimbursements and restitutions	<u>15,000</u>	<u>15,000</u>		<u>(15,000)</u>
Total revenues	<u>2,827,000</u>	<u>2,807,000</u>	<u>2,677,557</u>	<u>(129,443)</u>
EXPENDITURES				
Debt service				
Principal payments	8,652,000	9,244,800	9,637,000	(392,200)
Interest expense and fiscal charges	1,795,013	2,836,838	2,421,451	415,387
Administrative and other costs	<u>24,000</u>	<u>24,000</u>	<u>11,200</u>	<u>12,800</u>
Total expenditures	<u>10,471,013</u>	<u>12,105,638</u>	<u>12,069,651</u>	<u>35,987</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(7,644,013)</u>	<u>(9,298,638)</u>	<u>(9,392,094)</u>	<u>(93,456)</u>
OTHER FINANCING SOURCES				
Proceeds from capital asset disposal		20,000		(20,000)
Transfers in	<u>7,997,564</u>	<u>7,997,564</u>	<u>7,997,564</u>	
Total other financing sources	<u>7,997,564</u>	<u>8,017,564</u>	<u>7,997,564</u>	<u>(20,000)</u>
CHANGE IN FUND BALANCE	353,551	(1,281,074)	(1,394,530)	(113,456)
FUND BALANCE, BEGINNING OF YEAR	<u>423,241</u>	<u>(194,635)</u>	<u>(2,406,912)</u>	<u>(2,212,277)</u>
FUND BALANCE, END OF YEAR	<u>\$ 776,792</u>	<u>\$ (1,475,709)</u>	<u>\$ (3,801,442)</u>	<u>\$ (2,325,733)</u>

**NON-MAJOR  
GOVERNMENTAL FUNDS**



# CITY OF RENO

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Non-major Governmental Funds
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 7,318,970	\$ 26,088,092	\$ 31,808,899	\$ 65,215,961
Accounts receivable	405,013		3,095	408,108
Interest receivable	24,541	97,080	123,215	244,836
Taxes receivable	4,369	942		5,311
Special assessments receivable		6,687,700		6,687,700
Due from other governments	2,597,160	1,931,350	193,625	4,722,135
Prepaid items	86,031	518,877	29,225	634,133
Property held for sale	1,041,209			1,041,209
Notes receivable, net			908,158	908,158
<b>Total assets</b>	<b>\$ 11,477,293</b>	<b>\$ 35,324,041</b>	<b>\$ 33,066,217</b>	<b>\$ 79,867,551</b>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 1,055,100	\$ 2,209	\$ 2,165,539	\$ 3,222,848
Accrued salaries and benefits	14,668			14,668
Contracts payable	286,474		824,428	1,110,902
Due to other governments	76,444	132,573		209,017
Deposits	75,146	(818)	7,000	81,328
Due to other funds	335,000			335,000
Advances from other funds		106,079		106,079
<b>Total liabilities</b>	<b>1,842,832</b>	<b>240,043</b>	<b>2,996,967</b>	<b>5,079,842</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, property taxes	4,369	942		5,311
Unavailable revenue, special assessments		5,766,655		5,766,655
Unavailable revenue, other	45,896			45,896
<b>Total deferred inflows of resources</b>	<b>50,265</b>	<b>5,767,597</b>		<b>5,817,862</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>1,893,097</b>	<b>6,007,640</b>	<b>2,996,967</b>	<b>10,897,704</b>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	86,031	518,877	29,225	634,133
Restricted for				
Debt service		28,797,524		28,797,524
Capital improvement projects	318,484		13,481,813	13,800,297
Fire, police and other public safety programs	998,139			998,139
Cultural, community and development programs	1,835,433			1,835,433
Other government programs	2,934,507			2,934,507
Assigned to				
Capital improvement projects			16,558,212	16,558,212
Fire, police and other public safety programs	66,029			66,029
Other government programs	3,345,573			3,345,573
<b>Total fund balances</b>	<b>9,584,196</b>	<b>29,316,401</b>	<b>30,069,250</b>	<b>68,969,847</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,477,293</b>	<b>\$ 35,324,041</b>	<b>\$ 33,066,217</b>	<b>\$ 79,867,551</b>

# CITY OF RENO

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Non-major Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 3,599,032	\$ 1,878,623	\$ 2,851,920	\$ 8,329,575
Business licenses, permits, franchise and other fees	206,406			206,406
Intergovernmental shared revenues	8,688,235	10,724,252	778,368	20,190,855
Charges for services	833,208		1,714,799	2,548,007
Fines and forfeitures	19,005	9,388	3,000	31,393
Special assessments		1,123,510		1,123,510
Miscellaneous	<u>2,438,262</u>	<u>902,878</u>	<u>2,311,631</u>	<u>5,652,771</u>
Total revenues	<u>15,784,148</u>	<u>14,638,651</u>	<u>7,659,718</u>	<u>38,082,517</u>
<b>EXPENDITURES</b>				
Current				
General government	579,746		951,311	1,531,057
Judicial	168,995			168,995
Public safety	303,939		279,964	583,903
Public works			597,415	597,415
Culture and recreation			348,060	348,060
Planning and community development	8,855,435		200,732	9,056,167
Urban redevelopment	<u>2,071,464</u>			<u>2,071,464</u>
Total current	<u>11,979,579</u>		<u>2,377,482</u>	<u>14,357,061</u>
Capital outlay				
General government	141,838		44,533	186,371
Public safety	202,021		2,311,529	2,513,550
Public works			4,658,409	4,658,409
Culture and recreation			1,124,939	1,124,939
Planning and community development	855,334		15,000	870,334
Urban redevelopment	<u>154,868</u>			<u>154,868</u>
Total capital outlay	<u>1,354,061</u>		<u>8,154,410</u>	<u>9,508,471</u>
Debt service				
Principal payments		4,233,010		4,233,010
Interest expense and fiscal charges		8,100,333		8,100,333
Administrative and other costs		<u>75,971</u>		<u>75,971</u>
Total debt service		<u>12,409,314</u>		<u>12,409,314</u>
Total expenditures	<u>13,333,640</u>	<u>12,409,314</u>	<u>10,531,892</u>	<u>36,274,846</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,450,508</u>	<u>2,229,337</u>	<u>(2,872,174)</u>	<u>1,807,671</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000		13,179,756	13,229,756
Transfers out	(1,811,930)	(681,671)	(309,080)	(2,802,681)
Intra fund (net ZERO) transfers	<u>(150,000)</u>	<u>150,000</u>		
Total other financing sources (uses)	<u>(1,911,930)</u>	<u>(531,671)</u>	<u>12,870,676</u>	<u>10,427,075</u>
CHANGE IN FUND BALANCE	538,578	1,697,666	9,998,502	12,234,746
FUND BALANCE, BEGINNING OF YEAR	<u>9,045,618</u>	<u>27,618,735</u>	<u>20,070,748</u>	<u>56,735,101</u>
FUND BALANCE, END OF YEAR	<u>\$ 9,584,196</u>	<u>\$ 29,316,401</u>	<u>\$ 30,069,250</u>	<u>\$ 68,969,847</u>

# **SPECIAL REVENUE FUNDS**



# CITY OF RENO

## NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

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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.

### HUD and State Housing 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.

### Stabilization

Accounts for funds to be used only if the total actual revenue falls short of the total anticipated revenue in the general fund or to pay expenses incurred to mitigate the effects of a natural disaster.

### 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 for 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, 2019**

	HUD and State Housing Grants	Community Assistance Center	Stabilization	Room Tax	Courts	Drug Forfeiture	Redevelopment Agency	Drainage Facility Impact Fee	Total Special Revenue Funds
<b>ASSETS</b>									
Cash, cash equivalents and investments	\$ 43,693	\$ 556	\$ 2,557,129	\$ 1,975,424	\$ 949,240	\$ 1,149,462	\$ 310,235	\$ 333,231	\$ 7,318,970
Accounts receivable		73,166		650			331,197		405,013
Interest receivable			10,592	8,505	4,141		1,303		24,541
Taxes receivable							4,369		4,369
Due from other governments	395,136	1,521,078	366,786	267,700	548		45,912		2,597,160
Prepaid items	4,205	1,073		15,000	65,003	750			86,031
Property held for sale							1,041,209		1,041,209
<b>Total assets</b>	<b>\$ 443,034</b>	<b>\$ 1,595,873</b>	<b>\$ 2,934,507</b>	<b>\$ 2,267,279</b>	<b>\$ 1,018,932</b>	<b>\$ 1,150,212</b>	<b>\$ 1,734,225</b>	<b>\$ 333,231</b>	<b>\$ 11,477,293</b>
<b>LIABILITIES</b>									
Accounts payable and other accrued liabilities	\$ 48,478	\$ 536,055		\$ 92,611	\$ 290	\$ 40,044	\$ 7,875	\$ 329,747	\$ 1,055,100
Accrued salaries and benefits	11,453	3,215							14,668
Contracts payable	143,999	17,600		4,180		45,250	75,445		286,474
Due to other governments	6,654				69,790				76,444
Deposits					46		75,100		75,146
Due to other funds		335,000							335,000
<b>Total liabilities</b>	<b>210,584</b>	<b>891,870</b>		<b>96,791</b>	<b>70,126</b>	<b>85,294</b>	<b>158,420</b>	<b>329,747</b>	<b>1,842,832</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue, property taxes							4,369		4,369
Unavailable revenue, other	519	44,601					776		45,896
<b>Total liabilities and deferred inflows of resources</b>	<b>211,103</b>	<b>936,471</b>		<b>96,791</b>	<b>70,126</b>	<b>85,294</b>	<b>163,565</b>	<b>329,747</b>	<b>1,893,097</b>

(Continued)

**CITY OF RENO**

**NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2019**

	<u>HUD and State Housing Grants</u>	<u>Community Assistance Center</u>	<u>Stabilization</u>	<u>Room Tax</u>	<u>Courts</u>	<u>Drug Forfeiture</u>	<u>Redevelopment Agency</u>	<u>Drainage Facility Impact Fee</u>	<u>Total Special Revenue Funds</u>
<b>FUND BALANCES</b>									
Nonspendable									
Prepaid items	4,205	1,073		15,000	65,003	750			86,031
Restricted for									
Capital improvement projects					318,484				318,484
Fire, police and other public safety programs						998,139			998,139
Cultural, community and development programs	227,726	566,498					1,041,209		1,835,433
Other government programs			2,934,507						2,934,507
Assigned to									
Fire, police and other public safety programs						66,029			66,029
Other government programs		91,831		2,155,488	565,319		529,451	3,484	3,345,573
<b>Total fund balances</b>	<u>231,931</u>	<u>659,402</u>	<u>2,934,507</u>	<u>2,170,488</u>	<u>948,806</u>	<u>1,064,918</u>	<u>1,570,660</u>	<u>3,484</u>	<u>9,584,196</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 443,034</u>	<u>\$ 1,595,873</u>	<u>\$ 2,934,507</u>	<u>\$ 2,267,279</u>	<u>\$ 1,018,932</u>	<u>\$ 1,150,212</u>	<u>\$ 1,734,225</u>	<u>\$ 333,231</u>	<u>\$ 11,477,293</u>

# CITY OF RENO

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019

	HUD and State Housing Grants	Community Assistance Center	Stabilization	Room Tax	Courts	Drug Forfeiture	Redevelopment Agency	Drainage Facility Impact Fee	Total Special Revenue Funds
<b>REVENUES</b>									
Taxes	\$	\$	\$	\$ 2,962,118	\$	\$	\$ 636,914	\$	\$ 3,599,032
Business licenses, permits, franchise and other fees					206,406				206,406
Intergovernmental shared revenues	4,593,149	3,013,297	644,927	650		297,519	138,693		8,688,235
Charges for services								833,208	833,208
Fines and forfeitures						19,005			19,005
Miscellaneous	<u>409,062</u>	<u>238,072</u>	<u>70,755</u>	<u>69,517</u>	<u>111,560</u>	<u>1,532,634</u>	<u>6,662</u>		<u>2,438,262</u>
Total revenues	<u>5,002,211</u>	<u>3,251,369</u>	<u>715,682</u>	<u>3,032,285</u>	<u>317,966</u>	<u>316,524</u>	<u>2,308,241</u>	<u>839,870</u>	<u>15,784,148</u>
<b>EXPENDITURES</b>									
Current									
General government				575,271		4,475			579,746
Judicial					168,995				168,995
Public safety						303,939			303,939
Planning and community development	4,437,906	3,438,221						979,308	8,855,435
Urban redevelopment							2,071,464		2,071,464
Total current	<u>4,437,906</u>	<u>3,438,221</u>		<u>575,271</u>	<u>168,995</u>	<u>308,414</u>	<u>2,071,464</u>	<u>979,308</u>	<u>11,979,579</u>
Capital outlay									
General government				141,838					141,838
Public safety						202,021			202,021
Planning and community development	797,591	57,743							855,334
Urban redevelopment							154,868		154,868
Total capital outlay	<u>797,591</u>	<u>57,743</u>		<u>141,838</u>		<u>202,021</u>	<u>154,868</u>		<u>1,354,061</u>
Total expenditures	<u>5,235,497</u>	<u>3,495,964</u>		<u>717,109</u>	<u>168,995</u>	<u>510,435</u>	<u>2,226,332</u>	<u>979,308</u>	<u>13,333,640</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(233,286)</u>	<u>(244,595)</u>	<u>715,682</u>	<u>2,315,176</u>	<u>148,971</u>	<u>(193,911)</u>	<u>81,909</u>	<u>(139,438)</u>	<u>2,450,508</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in		50,000							50,000
Transfers out				(1,811,930)					(1,811,930)
Intra fund (net ZERO) transfers							(150,000)		(150,000)
Total other financing sources (uses)		<u>50,000</u>		<u>(1,811,930)</u>			<u>(150,000)</u>		<u>(1,911,930)</u>

(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, 2019**

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	HUD and State Housing Grants	Community Assistance Center	Stabilization	Room Tax	Courts	Drug Forfeiture	Redevelopment Agency	Drainage Facility Impact Fee	Total Special Revenue Funds
CHANGE IN FUND BALANCE	(233,286)	(194,595)	715,682	503,246	148,971	(193,911)	(68,091)	(139,438)	538,578
FUND BALANCE, BEGINNING OF YEAR	465,217	853,997	2,218,825	1,667,242	799,835	1,258,829	1,638,751	142,922	9,045,618
FUND BALANCE, END OF YEAR	\$ 231,931	\$ 659,402	\$ 2,934,507	\$ 2,170,488	\$ 948,806	\$ 1,064,918	\$ 1,570,660	\$ 3,484	\$ 9,584,196

## CITY OF RENO

### HUD AND STATE HOUSING GRANTS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Intergovernmental shared revenues				
Federal grants	\$ 3,334,816	\$ 3,338,468	\$ 2,872,480	\$ (465,988)
State grants	1,317,680	2,465,089	1,720,669	(744,420)
Miscellaneous				
Investment income			839	839
Loan payments	<u>175,000</u>	<u>175,000</u>	<u>408,223</u>	<u>233,223</u>
Total revenues	<u>4,827,496</u>	<u>5,978,557</u>	<u>5,002,211</u>	<u>(976,346)</u>
<b>EXPENDITURES</b>				
Planning and community development				
Various				
Salaries and wages	352,697	352,697	309,365	43,332
Employee benefits	192,891	192,891	165,919	26,972
Services and supplies	4,472,668	4,998,186	3,962,622	1,035,564
Capital outlay		<u>929,017</u>	<u>797,591</u>	<u>131,426</u>
Total planning and community development	<u>5,018,256</u>	<u>6,472,791</u>	<u>5,235,497</u>	<u>1,237,294</u>
Total expenditures	<u>5,018,256</u>	<u>6,472,791</u>	<u>5,235,497</u>	<u>1,237,294</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		16,017		(16,017)
Transfers out		<u>13,000</u>		<u>(13,000)</u>
Total other financing sources (uses)		<u>29,017</u>		<u>(29,017)</u>
CHANGE IN FUND BALANCE	(190,760)	(465,217)	(233,286)	231,931
FUND BALANCE, BEGINNING OF YEAR	<u>230,655</u>	<u>230,656</u>	<u>465,217</u>	<u>234,561</u>
FUND BALANCE, END OF YEAR	<u>\$ 39,895</u>	<u>\$ (234,561)</u>	<u>\$ 231,931</u>	<u>\$ 466,492</u>

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental shared revenues				
Federal grants	\$ 408,059	\$ 408,059	\$ 487,937	\$ 79,878
Other	2,695,599	2,695,599	2,525,360	(170,239)
Miscellaneous				
Investment income			8,826	8,826
Rents and royalties	35,005	35,005	15,811	(19,194)
Reimbursements and restitutions	<u>150,000</u>	<u>150,000</u>	<u>213,435</u>	<u>63,435</u>
Total revenues	<u>3,288,663</u>	<u>3,288,663</u>	<u>3,251,369</u>	<u>(37,294)</u>
EXPENDITURES				
Planning and community development				
Various				
Salaries and wages	71,953	71,953	59,125	12,828
Employee benefits	43,270	43,270	33,038	10,232
Services and supplies	3,531,390	3,560,353	3,346,058	214,295
Capital outlay	<u>180,000</u>	<u>180,000</u>	<u>57,743</u>	<u>122,257</u>
Total planning and community development	<u>3,646,613</u>	<u>3,855,576</u>	<u>3,495,964</u>	<u>359,612</u>
Total expenditures	<u>3,646,613</u>	<u>3,855,576</u>	<u>3,495,964</u>	<u>359,612</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(357,950)</u>	<u>(566,913)</u>	<u>(244,595)</u>	<u>322,318</u>
OTHER FINANCING SOURCES				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	
CHANGE IN FUND BALANCE	(307,950)	(516,913)	(194,595)	322,318
FUND BALANCE, BEGINNING OF YEAR	<u>640,152</u>	<u>645,033</u>	<u>853,997</u>	<u>208,964</u>
FUND BALANCE, END OF YEAR	<u>\$ 332,202</u>	<u>\$ 128,120</u>	<u>\$ 659,402</u>	<u>\$ 531,282</u>

# CITY OF RENO

## STABILIZATION SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Federal grants	\$	\$	\$ 391,004	\$ 391,004
Consolidated taxes			253,923	253,923
Miscellaneous				
Investment income			70,755	70,755
Total revenues			715,682	715,682
General government				
Other				
Services and supplies		2,218,825		2,218,825
Total general government		2,218,825		2,218,825
Total expenditures		2,218,825		2,218,825
CHANGE IN FUND BALANCE		(2,218,825)	715,682	2,934,507
FUND BALANCE, BEGINNING OF YEAR			2,218,825	2,218,825
FUND BALANCE, END OF YEAR	\$	\$ (2,218,825)	\$ 2,934,507	\$ 5,153,332

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Room and construction taxes	\$ 2,400,000	\$ 2,400,000	\$ 2,962,118	\$ 562,118
Federal grants			234	234
State grants			416	416
Miscellaneous				
Investment income	7,500	7,500	57,825	50,325
Reimbursements and restitutions			11,692	11,692
Total revenues	<u>2,407,500</u>	<u>2,407,500</u>	<u>3,032,285</u>	<u>624,785</u>
EXPENDITURES				
General government				
City manager				
Services and supplies	525,110	1,005,480	575,271	430,209
Capital outlay	250,000	700,000	141,838	558,162
Total expenditures	<u>775,110</u>	<u>1,705,480</u>	<u>717,109</u>	<u>988,371</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,632,390</u>	<u>702,020</u>	<u>2,315,176</u>	<u>1,613,156</u>
OTHER FINANCING USES				
Transfers out	<u>(1,811,930)</u>	<u>(1,811,930)</u>	<u>(1,811,930)</u>	
CHANGE IN FUND BALANCE	(179,540)	(1,109,910)	503,246	1,613,156
FUND BALANCE, BEGINNING OF YEAR		<u>736,872</u>	<u>1,667,242</u>	<u>930,370</u>
FUND BALANCE, END OF YEAR	<u>\$ (179,540)</u>	<u>\$ (373,038)</u>	<u>\$ 2,170,488</u>	<u>\$ 2,543,526</u>

# 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, 2019

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Business licenses, permits, franchise and other fees				
Other	\$ 197,163	\$ 197,163	\$ 206,406	\$ 9,243
Miscellaneous				
Investment income	2,500	2,500	27,921	25,421
Reimbursements and restitutions			35	35
Court administrative charges	73,243	73,243	83,604	10,361
Total revenues	272,906	272,906	317,966	45,060
EXPENDITURES				
Judicial				
Municipal court				
Services and supplies	272,906	1,072,740	168,995	903,745
CHANGE IN FUND BALANCE		(799,834)	148,971	948,805
FUND BALANCE, BEGINNING OF YEAR		736,872	799,835	62,963
FUND BALANCE, END OF YEAR	\$	\$ (62,962)	\$ 948,806	\$ 1,011,768

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Federal grants	\$ 100,000	\$ 100,000	\$ 297,519	\$ 197,519
Fines and forfeits				
Drug forfeitures			<u>19,005</u>	<u>19,005</u>
Miscellaneous				
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>316,524</u>	<u>216,524</u>
EXPENDITURES				
General government				
City attorney				
Services and supplies		<u>10,000</u>	<u>4,475</u>	<u>5,525</u>
Public safety				
Police				
Services and supplies	<u>100,000</u>	<u>1,348,829</u>	<u>303,939</u>	<u>1,044,890</u>
Capital outlay			<u>202,021</u>	<u>(202,021)</u>
Total expenditures	<u>100,000</u>	<u>1,358,829</u>	<u>510,435</u>	<u>848,394</u>
CHANGE IN FUND BALANCE		(1,258,829)	(193,911)	1,064,918
FUND BALANCE, BEGINNING OF YEAR		<u>105,590</u>	<u>1,258,829</u>	<u>1,153,239</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ (1,153,239)</u>	<u>\$ 1,064,918</u>	<u>\$ 2,218,157</u>

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 368,922	\$ 368,922	\$ 636,914	\$ 267,992
Intergovernmental shared revenues				
State shared revenues				
Motor vehicle fuel taxes	128,024	128,024	138,693	10,669
Miscellaneous				
Investment income	1,000	1,000	10,854	9,854
Rents and royalties	705,250	705,250	783,942	78,692
Reimbursements and restitutions			158,831	158,831
Other	<u>850,000</u>	<u>850,000</u>	<u>579,007</u>	<u>(270,993)</u>
Total revenues	<u>2,053,196</u>	<u>2,053,196</u>	<u>2,308,241</u>	<u>255,045</u>
EXPENDITURES				
Urban redevelopment				
Various				
Services and supplies	2,101,700	2,101,700	2,071,464	30,236
Capital outlay			<u>154,868</u>	<u>(154,868)</u>
Total expenditures	<u>2,101,700</u>	<u>2,101,700</u>	<u>2,226,332</u>	<u>(124,632)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(48,504)</u>	<u>(48,504)</u>	<u>81,909</u>	<u>130,413</u>
OTHER FINANCING USES				
Transfers out	(150,000)	(150,000)		150,000
Intra fund (net ZERO) transfers			<u>(150,000)</u>	<u>(150,000)</u>
CHANGE IN FUND BALANCE	(198,504)	(198,504)	(68,091)	130,413
FUND BALANCE, BEGINNING OF YEAR	<u>1,041,209</u>	<u>1,351,423</u>	<u>1,638,751</u>	<u>287,328</u>
FUND BALANCE, END OF YEAR	<u>\$ 842,705</u>	<u>\$ 1,152,919</u>	<u>\$ 1,570,660</u>	<u>\$ 417,741</u>

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services				
Public works				
Engineering fees	\$ 75,000	\$ 75,000	\$ 833,208	\$ 758,208
Miscellaneous				
Investment income			6,662	6,662
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>839,870</u>	<u>764,870</u>
EXPENDITURES				
Planning and community development				
Various				
Services and supplies	<u>75,000</u>	<u>217,922</u>	<u>979,308</u>	<u>(761,386)</u>
Total expenditures	<u>75,000</u>	<u>217,922</u>	<u>979,308</u>	<u>(761,386)</u>
CHANGE IN FUND BALANCE		(142,922)	(139,438)	3,484
FUND BALANCE, BEGINNING OF YEAR	<u>815</u>	<u>815</u>	<u>142,922</u>	<u>142,107</u>
FUND BALANCE, END OF YEAR	<u>\$ 815</u>	<u>\$ (142,107)</u>	<u>\$ 3,484</u>	<u>\$ 145,591</u>

# **DEBT SERVICE FUNDS**



# CITY OF RENO

## NON-MAJOR DEBT SERVICE FUNDS FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

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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 payment of special assessment bonds.

Redevelopment Agency

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

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



# CITY OF RENO

## NON-MAJOR DEBT SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 2019

	Special Assessment Districts	Redevelopment Agency	Railroad	Total Debt Service Funds
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 2,279,913	\$ 5,747,628	\$ 18,060,551	\$ 26,088,092
Interest receivable	10,034	2,787	84,259	97,080
Taxes receivable		942		942
Special assessments receivable	1,269,665		5,418,035	6,687,700
Due from other governments		13,031	1,918,319	1,931,350
Prepaid items			518,877	518,877
<b>Total assets</b>	<b><u>\$ 3,559,612</u></b>	<b><u>\$ 5,764,388</u></b>	<b><u>\$ 26,000,041</u></b>	<b><u>\$ 35,324,041</u></b>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 1,730	\$	\$ 479	\$ 2,209
Due to other governments	74	5,059	127,440	132,573
Deposits	(6,224)		5,406	(818)
Advances from other funds	106,079			106,079
<b>Total liabilities</b>	<b><u>101,659</u></b>	<b><u>5,059</u></b>	<b><u>133,325</u></b>	<b><u>240,043</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, property taxes		942		942
Unavailable revenue, special assessments	1,165,453		4,601,202	5,766,655
<b>Total deferred inflows of resources</b>	<b><u>1,165,453</u></b>	<b><u>942</u></b>	<b><u>4,601,202</u></b>	<b><u>5,767,597</u></b>
<b>Total liabilities and deferred inflows of resources</b>	<b><u>1,267,112</u></b>	<b><u>6,001</u></b>	<b><u>4,734,527</u></b>	<b><u>6,007,640</u></b>
<b>FUND BALANCES</b>				
Prepaid items			518,877	518,877
Restricted for				
Debt service	2,292,500	5,758,387	20,746,637	28,797,524
<b>Total fund balances</b>	<b><u>2,292,500</u></b>	<b><u>5,758,387</u></b>	<b><u>21,265,514</u></b>	<b><u>29,316,401</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 3,559,612</u></b>	<b><u>\$ 5,764,388</u></b>	<b><u>\$ 26,000,041</u></b>	<b><u>\$ 35,324,041</u></b>

# CITY OF RENO

## NON-MAJOR DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019

	Special Assessment Districts	Redevelopment Agency	Railroad	Total Debt Service Funds
<b>REVENUES</b>				
Taxes	\$	\$ 840,765	\$ 1,037,858	\$ 1,878,623
Intergovernmental shared revenues			10,724,252	10,724,252
Fines and forfeitures	5,661		3,727	9,388
Special assessments	275,726		847,784	1,123,510
Miscellaneous	168,669	94,401	639,808	902,878
Total revenues	<u>450,056</u>	<u>935,166</u>	<u>13,253,429</u>	<u>14,638,651</u>
<b>EXPENDITURES</b>				
Debt service				
Principal payments	309,010	1,794,000	2,130,000	4,233,010
Interest expense and fiscal charges	77,108	1,107,248	6,915,977	8,100,333
Administrative and other costs	26,620	13,955	35,396	75,971
Total debt service	<u>412,738</u>	<u>2,915,203</u>	<u>9,081,373</u>	<u>12,409,314</u>
Total expenditures	<u>412,738</u>	<u>2,915,203</u>	<u>9,081,373</u>	<u>12,409,314</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>37,318</u>	<u>(1,980,037)</u>	<u>4,172,056</u>	<u>2,229,337</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(201,914)		(479,757)	(681,671)
Intra fund (net ZERO) transfers		150,000		150,000
Total other financing sources (uses)	<u>(201,914)</u>	<u>150,000</u>	<u>(479,757)</u>	<u>(531,671)</u>
CHANGE IN FUND BALANCE	(164,596)	(1,830,037)	3,692,299	1,697,666
FUND BALANCE, BEGINNING OF YEAR	<u>2,457,096</u>	<u>7,588,424</u>	<u>17,573,215</u>	<u>27,618,735</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,292,500</u>	<u>\$ 5,758,387</u>	<u>\$ 21,265,514</u>	<u>\$ 29,316,401</u>

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Fines and forfeits				
SAD penalties	\$	\$	\$ 5,661	\$ 5,661
Special assessments				
Special assessments districts	146,230	351,230	275,726	(75,504)
Miscellaneous				
Investment income	87,783	87,892	162,839	74,947
Other			<u>5,830</u>	<u>5,830</u>
Total revenues	<u>234,013</u>	<u>439,122</u>	<u>450,056</u>	<u>10,934</u>
<b>EXPENDITURES</b>				
Debt service				
Principal payments	194,010	399,010	309,010	90,000
Interest expense and fiscal charges	77,620	77,620	77,108	512
Administrative and other costs	<u>535,669</u>	<u>535,669</u>	<u>26,620</u>	<u>509,049</u>
Total expenditures	<u>807,299</u>	<u>1,012,299</u>	<u>412,738</u>	<u>599,561</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(573,286)</u>	<u>(573,177)</u>	<u>37,318</u>	<u>610,495</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(150,000)</u>	<u>(202,023)</u>	<u>(201,914)</u>	<u>109</u>
CHANGE IN FUND BALANCE	(723,286)	(775,200)	(164,596)	610,604
FUND BALANCE, BEGINNING OF YEAR	<u>1,913,621</u>	<u>1,834,327</u>	<u>2,457,096</u>	<u>622,769</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,190,335</u>	<u>\$ 1,059,127</u>	<u>\$ 2,292,500</u>	<u>\$ 1,233,373</u>

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Property taxes	\$ 650,694	\$ 650,694	\$ 840,765	\$ 190,071
Miscellaneous				
Investment income	<u>16,000</u>	<u>16,000</u>	<u>94,401</u>	<u>78,401</u>
Total revenues	<u>666,694</u>	<u>666,694</u>	<u>935,166</u>	<u>268,472</u>
EXPENDITURES				
Debt service				
Principal payments	1,794,000	1,794,000	1,794,000	
Interest expense and fiscal charges	1,107,248	1,107,248	1,107,248	
Administrative and other costs	<u>13,000</u>	<u>13,000</u>	<u>13,955</u>	<u>(955)</u>
Total expenditures	<u>2,914,248</u>	<u>2,914,248</u>	<u>2,915,203</u>	<u>(955)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,247,554)</u>	<u>(2,247,554)</u>	<u>(1,980,037)</u>	<u>267,517</u>
OTHER FINANCING SOURCES				
Transfers in	150,000	150,000		(150,000)
Intra fund (net ZERO) transfers			<u>150,000</u>	<u>150,000</u>
CHANGE IN FUND BALANCE	(2,097,554)	(2,097,554)	(1,830,037)	267,517
FUND BALANCE, BEGINNING OF YEAR	<u>7,200,016</u>	<u>9,253,845</u>	<u>7,588,424</u>	<u>(1,665,421)</u>
FUND BALANCE, END OF YEAR	<u>\$ 5,102,462</u>	<u>\$ 7,156,291</u>	<u>\$ 5,758,387</u>	<u>\$ (1,397,904)</u>

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Room and construction taxes	\$ 850,000	\$ 850,000	\$ 1,037,858	\$ 187,858
Intergovernmental shared revenues				
State shared revenues				
Dedicated sales taxes	9,960,000	9,960,000	10,724,252	764,252
SAD penalties			3,727	3,727
Special assessments				
ReTRAC	790,140	840,140	847,784	7,644
Miscellaneous				
Investment income	279,630	279,630	637,358	357,728
Other			<u>2,450</u>	<u>2,450</u>
Total revenues	<u>11,879,770</u>	<u>11,929,770</u>	<u>13,253,429</u>	<u>1,323,659</u>
EXPENDITURES				
Debt service				
Principal payments	3,445,000	3,495,000	2,130,000	1,365,000
Interest expense and fiscal charges	5,243,138	5,243,138	6,915,977	(1,672,839)
Administrative and other costs	<u>1,216,500</u>	<u>1,216,500</u>	<u>35,396</u>	<u>1,181,104</u>
Total expenditures	<u>9,904,638</u>	<u>9,954,638</u>	<u>9,081,373</u>	<u>873,265</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>1,975,132</u>	<u>1,975,132</u>	<u>4,172,056</u>	<u>2,196,924</u>
OTHER FINANCING SOURCES				
Transfers out		<u>(480,000)</u>	<u>(479,757)</u>	<u>243</u>
CHANGE IN FUND BALANCE	1,975,132	1,495,132	3,692,299	2,197,167
FUND BALANCE, BEGINNING OF YEAR	<u>15,601,170</u>	<u>15,004,160</u>	<u>17,573,215</u>	<u>2,569,055</u>
FUND BALANCE, END OF YEAR	<u>\$ 17,576,302</u>	<u>\$ 16,499,292</u>	<u>\$ 21,265,514</u>	<u>\$ 4,766,222</u>



# **CAPITAL PROJECTS FUNDS**



# CITY OF RENO

## NON-MAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

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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.

**City of Reno**

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.

**Downtown Events Center**

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

**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.

**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.



# CITY OF RENO

## NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2019

	City of Reno	Downtown Events Center	City Bonds	Parks	Special Ad Valorem	Room Tax Surcharge	Streets	Total Capital Projects Funds
<b>ASSETS</b>								
Cash, cash equivalents and investments	\$ 15,951,419	\$ 525,364	\$ 128,265	\$ 11,348,818	\$ 760,878	\$ 1,795,939	\$ 1,298,216	\$ 31,808,899
Accounts receivable	315			2,780				3,095
Interest receivable	53,653	2,290	616	49,032	3,593	8,795	5,236	123,215
Due from other governments			32,807		10,854	149,964		193,625
Prepaid items	29,225							29,225
Notes receivable, net	908,158							908,158
<b>Total assets</b>	<b>\$ 16,942,770</b>	<b>\$ 527,654</b>	<b>\$ 161,688</b>	<b>\$ 11,400,630</b>	<b>\$ 775,325</b>	<b>\$ 1,954,698</b>	<b>\$ 1,303,452</b>	<b>\$ 33,066,217</b>
<b>LIABILITIES</b>								
Accounts payable and other accrued liabilities	\$ 120,813	\$ 319,804	\$ 28,410	\$ 80,773	\$ 340,438	\$ 384	\$ 1,274,917	\$ 2,165,539
Contracts payable	263,055			130,035		431,338		824,428
Deposits					7,000			7,000
<b>Total liabilities</b>	<b>383,868</b>	<b>319,804</b>	<b>28,410</b>	<b>210,808</b>	<b>347,438</b>	<b>431,722</b>	<b>1,274,917</b>	<b>2,996,967</b>
<b>FUND BALANCES</b>								
Prepaid items	29,225							29,225
Restricted for								
Capital improvement projects		207,850	133,278	11,189,822	427,887	1,522,976		13,481,813
Assigned to								
Capital improvement projects	16,529,677						28,535	16,558,212
<b>Total fund balances</b>	<b>16,558,902</b>	<b>207,850</b>	<b>133,278</b>	<b>11,189,822</b>	<b>427,887</b>	<b>1,522,976</b>	<b>28,535</b>	<b>30,069,250</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 16,942,770</b>	<b>\$ 527,654</b>	<b>\$ 161,688</b>	<b>\$ 11,400,630</b>	<b>\$ 775,325</b>	<b>\$ 1,954,698</b>	<b>\$ 1,303,452</b>	<b>\$ 33,066,217</b>

# CITY OF RENO

## NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019

	City of Reno	Downtown Events Center	City Bonds	Parks	Special Ad Valorem	Room Tax Surcharge	Streets	Total Capital Projects Funds
<b>REVENUES</b>								
Taxes	\$	\$	\$	\$ 2,851,920	\$	\$	\$	\$ 2,851,920
Intergovernmental shared revenues			74,105	116,498	587,765			778,368
Charges for services						1,714,799		1,714,799
Fines and forfeitures					2,000	1,000		3,000
Miscellaneous	1,478,393	265,042	17,089	424,820	22,793	72,498	30,996	2,311,631
<b>Total revenues</b>	<b>1,478,393</b>	<b>265,042</b>	<b>91,194</b>	<b>3,393,238</b>	<b>612,558</b>	<b>1,788,297</b>	<b>30,996</b>	<b>7,659,718</b>
<b>EXPENDITURES</b>								
<b>Current</b>								
General government	427,991				523,320			951,311
Public safety	279,964							279,964
Public works	400,842		188,450				8,123	597,415
Culture and recreation	165,930			182,130				348,060
Planning and community development	200,732							200,732
<b>Total current</b>	<b>1,475,459</b>		<b>188,450</b>	<b>182,130</b>	<b>523,320</b>		<b>8,123</b>	<b>2,377,482</b>
<b>Capital outlay</b>								
General government	44,533							44,533
Public safety	2,311,529							2,311,529
Public works	1,338,757	568,890			34,725	2,716,037		4,658,409
Culture and recreation	439,585			568,784	116,570			1,124,939
Planning and community development	15,000							15,000
<b>Total capital outlay</b>	<b>4,149,404</b>	<b>568,890</b>		<b>568,784</b>	<b>151,295</b>	<b>2,716,037</b>		<b>8,154,410</b>
<b>Total expenditures</b>	<b>5,624,863</b>	<b>568,890</b>	<b>188,450</b>	<b>750,914</b>	<b>674,615</b>	<b>2,716,037</b>	<b>8,123</b>	<b>10,531,892</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,146,470)</b>	<b>(303,848)</b>	<b>(97,256)</b>	<b>2,642,324</b>	<b>(62,057)</b>	<b>(927,740)</b>	<b>22,873</b>	<b>(2,872,174)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	13,179,756							13,179,756
Transfers out	(309,080)							(309,080)
<b>Total other financing sources (uses)</b>	<b>12,870,676</b>							<b>12,870,676</b>

(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, 2019

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	City of Reno	Downtown Events Center	City Bonds	Parks	Special Ad Valorem	Room Tax Surcharge	Streets	Total Capital Projects Funds
CHANGE IN FUND BALANCE	8,724,206	(303,848)	(97,256)	2,642,324	(62,057)	(927,740)	22,873	9,998,502
FUND BALANCE, BEGINNING OF YEAR	7,834,696	511,698	230,534	8,547,498	489,944	2,450,716	5,662	20,070,748
FUND BALANCE, END OF YEAR	\$ 16,558,902	\$ 207,850	\$ 133,278	\$ 11,189,822	\$ 427,887	\$ 1,522,976	\$ 28,535	\$ 30,069,250

# CITY OF RENO

## CITY OF RENO CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Miscellaneous				
Investment income	\$ 46,000	\$ 46,000	\$ 350,711	\$ 304,711
Reimbursements and restitutions			233,389	233,389
Private grants and contributions		783,355	868,494	85,139
Other			25,799	25,799
<b>Total revenues</b>	<u>46,000</u>	<u>829,355</u>	<u>1,478,393</u>	<u>649,038</u>
<b>EXPENDITURES</b>				
General government				
Communications and technology				
Capital outlay	100,000	232,016	44,533	187,483
<b>Total communications and technology</b>	<u>100,000</u>	<u>232,016</u>	<u>44,533</u>	<u>187,483</u>
Capital outlay		50,000		50,000
<b>Total</b>		<u>50,000</u>		<u>50,000</u>
Other				
Services and supplies	925,000	1,025,000	427,991	597,009
<b>Total other</b>	<u>925,000</u>	<u>1,025,000</u>	<u>427,991</u>	<u>597,009</u>
<b>Total general government</b>	<u>1,025,000</u>	<u>1,307,016</u>	<u>472,524</u>	<u>834,492</u>
Public safety				
Police				
Services and supplies		150,000	162,224	(12,224)
Capital outlay		16,262		16,262
<b>Total police</b>		<u>166,262</u>	<u>162,224</u>	<u>4,038</u>
Fire				
Services and supplies			117,740	(117,740)
Capital outlay	350,000	3,422,286	2,311,529	1,110,757
<b>Total fire</b>	<u>350,000</u>	<u>3,422,286</u>	<u>2,429,269</u>	<u>993,017</u>
<b>Total public safety</b>	<u>350,000</u>	<u>3,588,548</u>	<u>2,591,493</u>	<u>997,055</u>
Public works				
Various				
Services and supplies		179,659	400,842	(221,183)
Capital outlay	700,000	13,908,403	1,338,757	12,569,646
<b>Total various</b>	<u>700,000</u>	<u>14,088,062</u>	<u>1,739,599</u>	<u>12,348,463</u>
Culture and recreation				
Parks and recreation				
Services and supplies		26,572	165,930	(139,358)
Capital outlay	440,000	1,191,661	439,585	752,076
<b>Total parks and recreation</b>	<u>440,000</u>	<u>1,218,233</u>	<u>605,515</u>	<u>612,718</u>
<b>Total culture and recreation</b>	<u>440,000</u>	<u>1,218,233</u>	<u>605,515</u>	<u>612,718</u>
Planning and community development				
Various				
Services and supplies			200,732	(200,732)
<b>Total various</b>			<u>200,732</u>	<u>(200,732)</u>

# CITY OF RENO

## CITY OF RENO CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance
Capital outlay		407,995	15,000	392,995
Total		407,995	15,000	392,995
Total planning and community development		407,995	215,732	192,263
Total expenditures	2,515,000	20,609,854	5,624,863	14,984,991
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,469,000)	(19,780,499)	(4,146,470)	15,634,029
OTHER FINANCING SOURCES (USES)				
Transfers in	2,127,500	13,179,999	13,179,756	(243)
Transfers out	(159,080)	(309,080)	(309,080)	
Intra fund (net ZERO) transfers		(13,000)		13,000
Total other financing sources (uses)	1,968,420	12,857,919	12,870,676	12,757
CHANGE IN FUND BALANCE	(500,580)	(6,922,580)	8,724,206	15,646,786
FUND BALANCE, BEGINNING OF YEAR	1,013,140	1,108,886	7,834,696	6,725,810
FUND BALANCE, END OF YEAR	\$ 512,560	\$ (5,813,694)	\$ 16,558,902	\$ 22,372,596

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous				
Investment income	\$	\$	\$ 15,956	\$ 15,956
Other			<u>249,086</u>	<u>249,086</u>
Total revenues			<u>265,042</u>	<u>265,042</u>
Public works				
Various				
Services and supplies		511,698		511,698
Capital outlay			<u>568,890</u>	<u>(568,890)</u>
Total various		<u>511,698</u>	<u>568,890</u>	<u>(57,192)</u>
Total public works		<u>511,698</u>	<u>568,890</u>	<u>(57,192)</u>
Total expenditures		<u>511,698</u>	<u>568,890</u>	<u>(57,192)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		<u>(511,698)</u>	<u>(303,848)</u>	<u>207,850</u>
CHANGE IN FUND BALANCE		(511,698)	(303,848)	207,850
FUND BALANCE, BEGINNING OF YEAR			<u>511,698</u>	<u>511,698</u>
FUND BALANCE, END OF YEAR	\$	\$ <u>(511,698)</u>	\$ <u>207,850</u>	\$ <u>719,548</u>

# 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, 2019

	Original Budget	Final Budget	Actual	Variance
REVENUES				
State grants	\$	\$ 75,019	\$ 74,105	\$ (914)
Miscellaneous				
Investment income			5,290	5,290
Reimbursements and restitutions			11,799	11,799
Public works				
Various				
Services and supplies		305,553	188,450	117,103
CHANGE IN FUND BALANCE		(230,534)	(97,256)	133,278
FUND BALANCE, BEGINNING OF YEAR			230,534	230,534
FUND BALANCE, END OF YEAR	\$	\$ (230,534)	\$ 133,278	\$ 363,812

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes				
Room and construction taxes	\$ 1,285,000	\$ 1,285,000	\$ 2,851,920	\$ 1,566,920
Intergovernmental shared revenues				
Federal grants			116,498	116,498
Miscellaneous				
Investment income	32,500	32,500	324,820	292,320
Private grants and contributions			<u>100,000</u>	<u>100,000</u>
Total revenues	<u>1,317,500</u>	<u>1,317,500</u>	<u>3,393,238</u>	<u>2,075,738</u>
<b>EXPENDITURES</b>				
Culture and recreation				
Parks and recreation				
Services and supplies	9,363	9,363	182,130	(172,767)
Capital outlay	<u>2,888,000</u>	<u>5,696,387</u>	<u>568,784</u>	<u>5,127,603</u>
Total parks and recreation	<u>2,897,363</u>	<u>5,705,750</u>	<u>750,914</u>	<u>4,954,836</u>
Total culture and recreation	<u>2,897,363</u>	<u>5,705,750</u>	<u>750,914</u>	<u>4,954,836</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,579,863)</u>	<u>(4,388,250)</u>	<u>2,642,324</u>	<u>7,030,574</u>
CHANGE IN FUND BALANCE	(1,579,863)	(4,388,250)	2,642,324	7,030,574
FUND BALANCE, BEGINNING OF YEAR	<u>3,269,045</u>	<u>5,989,109</u>	<u>8,547,498</u>	<u>2,558,389</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,689,182</u>	<u>\$ 1,600,859</u>	<u>\$ 11,189,822</u>	<u>\$ 9,588,963</u>

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Local government shared revenues				
County capital project taxes	\$ 550,000	\$ 550,000	\$ 587,765	\$ 37,765
Fines and forfeits				
Other			2,000	2,000
Miscellaneous				
Investment income			22,793	22,793
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>612,558</u>	<u>62,558</u>
EXPENDITURES				
General government				
Communications and technology				
Services and supplies	500,000	601,456	523,320	78,136
Total communications and technology	<u>500,000</u>	<u>601,456</u>	<u>523,320</u>	<u>78,136</u>
Total general government	<u>500,000</u>	<u>601,456</u>	<u>523,320</u>	<u>78,136</u>
Public safety				
Police				
Services and supplies	50,000	50,000		50,000
Total police	<u>50,000</u>	<u>50,000</u>		<u>50,000</u>
Total public safety	<u>50,000</u>	<u>50,000</u>		<u>50,000</u>
Public works				
Various				
Capital outlay		388,489	34,725	353,764
Culture and recreation				
Parks and recreation				
Capital outlay			116,570	(116,570)
Total parks and recreation			<u>116,570</u>	<u>(116,570)</u>
Total culture and recreation			<u>116,570</u>	<u>(116,570)</u>
Total expenditures	<u>550,000</u>	<u>1,039,945</u>	<u>674,615</u>	<u>365,330</u>
CHANGE IN FUND BALANCE		(489,945)	(62,057)	427,888
FUND BALANCE, BEGINNING OF YEAR			489,944	489,944
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ (489,945)</u>	<u>\$ 427,887</u>	<u>\$ 917,832</u>

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Downtown district room surcharge	\$ 2,000,000	\$ 2,000,000	\$ 1,714,799	\$ (285,201)
Other			1,000	1,000
Miscellaneous				
Investment income	10,000	10,000	72,465	62,465
Other			33	33
Total revenues	<u>2,010,000</u>	<u>2,010,000</u>	<u>1,788,297</u>	<u>(221,703)</u>
EXPENDITURES				
Public works				
Various				
Capital outlay	<u>2,010,000</u>	<u>4,460,716</u>	<u>2,716,037</u>	<u>1,744,679</u>
Total various	<u>2,010,000</u>	<u>4,460,716</u>	<u>2,716,037</u>	<u>1,744,679</u>
Total public works	<u>2,010,000</u>	<u>4,460,716</u>	<u>2,716,037</u>	<u>1,744,679</u>
Total expenditures	<u>2,010,000</u>	<u>4,460,716</u>	<u>2,716,037</u>	<u>1,744,679</u>
CHANGE IN FUND BALANCE		(2,450,716)	(927,740)	1,522,976
FUND BALANCE, BEGINNING OF YEAR			<u>2,450,716</u>	<u>2,450,716</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ (2,450,716)</u>	<u>\$ 1,522,976</u>	<u>\$ 3,973,692</u>

# 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, 2019

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Miscellaneous				
Investment income	\$ _____	\$ _____	\$ 30,996	\$ 30,996
Total revenues	_____	_____	30,996	30,996
EXPENDITURES				
Public works				
Various				
Services and supplies	_____	5,662	8,123	(2,461)
Total various	_____	5,662	8,123	(2,461)
Total expenditures	_____	5,662	8,123	(2,461)
CHANGE IN FUND BALANCE		(5,662)	22,873	28,535
FUND BALANCE, BEGINNING OF YEAR	_____	_____	5,662	5,662
FUND BALANCE, END OF YEAR	\$ _____	\$ (5,662)	\$ 28,535	\$ 34,197



# **PROPRIETARY FUNDS**



# **MAJOR ENTERPRISE FUNDS**



# **CITY OF RENO**

## **MAJOR ENTERPRISE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2019**

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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.

**Building Permit**

Accounts for resources provided by and the issuance of building permits.



# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>				
Charges for services				
Sanitary Sewer	\$ 64,995,000	\$ 65,660,391	\$ 68,048,545	\$ 2,388,154
Licenses and permits	305,000	305,000	338,051	33,051
Fines and forfeitures	1,200,000	1,200,000	1,658,105	458,105
Miscellaneous				
Reimbursements and restitution		502,500	354,933	(147,567)
Other			38,053	38,053
Total operating revenues	<u>66,500,000</u>	<u>67,667,891</u>	<u>70,437,687</u>	<u>2,769,796</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	6,512,242	6,512,242	6,308,559	203,683
Employee benefits	4,014,760	4,014,760	4,127,547	(112,787)
Services and supplies	12,258,752	18,037,288	13,394,592	4,642,696
Joint sewer plant	15,000,000	15,000,000	14,120,130	879,870
Depreciation and amortization	10,500,000	10,500,000	11,205,677	(705,677)
Total operating expenses	<u>48,285,754</u>	<u>54,064,290</u>	<u>49,156,505</u>	<u>4,907,785</u>
Operating income	<u>18,214,246</u>	<u>13,603,601</u>	<u>21,281,182</u>	<u>7,677,581</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Other grants			2,016,429	2,016,429
Investment income	500,000	500,000	3,267,195	2,767,195
Interest and fiscal charges	(1,105,319)	(1,105,319)	(1,157,945)	(52,626)
Gain (loss) on capital asset disposition			(75,872)	(75,872)
Truckee Meadows Water Reclamation Facility	5,000,000	5,000,000	(5,329,171)	(10,329,171)
Total nonoperating revenues (expenses)	<u>4,394,681</u>	<u>4,394,681</u>	<u>(1,279,364)</u>	<u>(5,674,045)</u>
Income before capital contributions and transfers	<u>22,608,927</u>	<u>17,998,282</u>	<u>20,001,818</u>	<u>2,003,536</u>
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions			6,806,798	6,806,798
Sewer connection charges	7,075,000	7,075,000	12,017,053	4,942,053
Total capital contributions	<u>7,075,000</u>	<u>7,075,000</u>	<u>18,823,851</u>	<u>11,748,851</u>
<b>TRANSFERS</b>				
Transfers out	(112,000)	(112,000)	(112,000)	
CHANGE IN NET POSITION	<u>\$ 29,571,927</u>	<u>\$ 24,961,282</u>	38,713,669	<u>\$ 13,752,387</u>
NET POSITION, BEGINNING OF YEAR			479,741,281	
NET POSITION, END OF YEAR			<u>\$ 518,454,950</u>	

# 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>				
Charges for services				
Building permits	\$ 4,739,043	\$ 4,739,043	\$ 5,287,078	\$ 548,035
Miscellaneous permits	955,705	955,705	1,094,605	138,900
Plan check fees	2,225,603	2,225,603	3,048,436	822,833
Electrical and plumbing	1,413,205	1,413,205	1,641,309	228,104
Plumbing inspection fees	262,483	262,483	190,996	(71,487)
Electrical inspection fee	56,650	56,650	73,946	17,296
Building and safety fees	9,512	9,512	4,646	(4,866)
Fire inspection fees	207,806	207,806	216,568	8,762
Total operating revenues	<u>9,870,007</u>	<u>9,870,007</u>	<u>11,557,584</u>	<u>1,687,577</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	4,269,261	4,329,400	3,704,423	624,977
Employee benefits	3,077,298	3,109,315	1,581,469	1,527,846
Services and supplies	2,362,641	2,563,141	2,295,037	268,104
Depreciation and amortization	2,500	2,500	110,531	(108,031)
Total operating expenses	<u>9,711,700</u>	<u>10,004,356</u>	<u>7,691,460</u>	<u>2,312,896</u>
Operating income	<u>158,307</u>	<u>(134,349)</u>	<u>3,866,124</u>	<u>4,000,473</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	50,000	50,000	409,268	359,268
Gain (loss) on capital asset disposition			(27,060)	(27,060)
Total nonoperating revenues (expenses)	<u>50,000</u>	<u>50,000</u>	<u>382,208</u>	<u>332,208</u>
Income before capital contributions and transfers	<u>208,307</u>	<u>(84,349)</u>	<u>4,248,332</u>	<u>4,332,681</u>
CHANGE IN NET POSITION	<u>\$ 208,307</u>	<u>\$ (84,349)</u>	<u>4,248,332</u>	<u>\$ 4,332,681</u>
NET POSITION, BEGINNING OF YEAR			<u>2,964,610</u>	
NET POSITION, END OF YEAR			<u>\$ 7,212,942</u>	

# **INTERNAL SERVICE FUNDS**



# CITY OF RENO

## INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

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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, 2019

	<u>Motor Vehicle</u>	<u>Risk Retention</u>	<u>Self-Funded Medical Plan</u>	<u>Self-Funded Workers Compensation</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>					
Current assets					
Cash, cash equivalents and investments	\$ 4,004,097	\$ 6,614,215	\$ 24,365,649	\$ 6,061,730	\$ 41,045,691
Accounts receivable	176,674		520,216		696,890
Interest receivable	17,349	28,664	104,858	25,852	176,723
Due from other governments		283,103		190,388	473,491
Inventories	169,284				169,284
Prepaid items	<u>2,572</u>	<u>54,281</u>	<u>14,415</u>	<u>68,710</u>	<u>139,978</u>
Total current assets	<u>4,369,976</u>	<u>6,980,263</u>	<u>25,005,138</u>	<u>6,346,680</u>	<u>42,702,057</u>
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Machinery, equipment and software	<u>9,131,291</u>				<u>9,131,291</u>
Total assets	<u>13,501,267</u>	<u>6,980,263</u>	<u>25,005,138</u>	<u>6,346,680</u>	<u>51,833,348</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized amounts related to pensions	241,265	35,387			276,652
Unamortized amounts related to postemployment benefits other than pensions	<u>1,171</u>	<u>311</u>			<u>1,482</u>
Total deferred outflows of resources	<u>242,436</u>	<u>35,698</u>			<u>278,134</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and other accrued liabilities	168,303	42,739	716,191	4,623	931,856
Accrued salaries and benefits	26,587	6,544			33,131
Compensated absences	51,532	4,112			55,644
Self-insurance liability		<u>395,865</u>	<u>1,322,382</u>	<u>6,327,575</u>	<u>8,045,822</u>
Total current liabilities	<u>246,422</u>	<u>449,260</u>	<u>2,038,573</u>	<u>6,332,198</u>	<u>9,066,453</u>
Noncurrent liabilities					
Compensated absences	9,329				9,329
Postemployment benefits other than pensions	459,726	122,261			581,987
Self-insurance liability		3,713,147	966,912	51,350,983	56,031,042
Net pension liability	<u>1,326,314</u>	<u>194,534</u>			<u>1,520,848</u>
Total noncurrent liabilities	<u>1,795,369</u>	<u>4,029,942</u>	<u>966,912</u>	<u>51,350,983</u>	<u>58,143,206</u>
Total liabilities	<u>2,041,791</u>	<u>4,479,202</u>	<u>3,005,485</u>	<u>57,683,181</u>	<u>67,209,659</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unamortized amounts related to pensions	134,982	19,798			154,780
Unamortized amounts related to postemployment benefits other than pensions	<u>83</u>	<u>22</u>			<u>105</u>
<b>NET POSITION</b>					
Net investment in capital assets	9,131,291				9,131,291
Restricted					
Self-insurance liabilities		2,514,604	21,999,653		24,514,257
Unrestricted	<u>2,435,556</u>	<u>2,335</u>		<u>(51,336,501)</u>	<u>(48,898,610)</u>
Total net position	<u>\$ 11,566,847</u>	<u>\$ 2,516,939</u>	<u>\$ 21,999,653</u>	<u>\$ (51,336,501)</u>	<u>\$ (15,253,062)</u>

# CITY OF RENO

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2019

	<u>Motor Vehicle</u>	<u>Risk Retention</u>	<u>Self-Funded Medical Plan</u>	<u>Self-Funded Workers Compensation</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 6,931,798	\$ 1,556,145	\$ 30,756,438	\$ 6,779,404	\$ 46,023,785
Miscellaneous	141,734	135	1,404,478	106,693	1,653,040
Total operating revenues	<u>7,073,532</u>	<u>1,556,280</u>	<u>32,160,916</u>	<u>6,886,097</u>	<u>47,676,825</u>
<b>OPERATING EXPENSES</b>					
Salaries and wages	750,456	186,154			936,610
Employee benefits	342,529	77,408			419,937
Services and supplies	2,732,258	2,785,505	27,893,318	8,205,896	41,616,977
Depreciation and amortization	2,563,654				2,563,654
Total operating expenses	<u>6,388,897</u>	<u>3,049,067</u>	<u>27,893,318</u>	<u>8,205,896</u>	<u>45,537,178</u>
Operating income (loss)	<u>684,635</u>	<u>(1,492,787)</u>	<u>4,267,598</u>	<u>(1,319,799)</u>	<u>2,139,647</u>
<b>NONOPERATING REVENUES</b>					
Investment income	121,225	198,268	700,707	306,660	1,326,860
Gain (loss) on capital asset disposition	73,747				73,747
Total nonoperating revenues	<u>194,972</u>	<u>198,268</u>	<u>700,707</u>	<u>306,660</u>	<u>1,400,607</u>
Income (loss) before capital contributions	<u>879,607</u>	<u>(1,294,519)</u>	<u>4,968,305</u>	<u>(1,013,139)</u>	<u>3,540,254</u>
<b>CAPITAL CONTRIBUTIONS</b>					
Capital contributions	404,790				404,790
Federal grants	206,892				206,892
Total capital contributions	<u>611,682</u>				<u>611,682</u>
CHANGE IN NET POSITION	1,491,289	(1,294,519)	4,968,305	(1,013,139)	4,151,936
NET POSITION, BEGINNING OF YEAR	<u>10,075,558</u>	<u>3,811,458</u>	<u>17,031,348</u>	<u>(50,323,362)</u>	<u>(19,404,998)</u>
NET POSITION, END OF YEAR	<u>\$ 11,566,847</u>	<u>\$ 2,516,939</u>	<u>\$ 21,999,653</u>	<u>\$ (51,336,501)</u>	<u>\$ (15,253,062)</u>

# CITY OF RENO

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

	Motor Vehicle	Risk Retention	Self-Funded Medical Plan	Self-Funded Workers Compensation	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 6,864,342	\$ 1,556,145	\$ 30,971,819	\$ 6,780,244	\$ 46,172,550
Cash received from interfund services	100,000				100,000
Cash received from other sources	151,735	1,176	1,404,479	(83,695)	1,473,695
Cash payments for goods and services	(2,500,914)	(1,325,908)	(27,330,564)	(6,349,337)	(37,506,723)
Cash payments for employee services	(985,702)	(231,867)			(1,217,569)
Cash payments for interfund goods and services	(169,899)	(62,935)	(602,429)	(210,143)	(1,045,406)
Cash payments for interfund employee benefits	(149,342)	(26,437)			(175,779)
Net cash provided by (used in) operating activities	<u>3,310,220</u>	<u>(89,826)</u>	<u>4,443,305</u>	<u>137,069</u>	<u>7,800,768</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash received from grants	206,892				206,892
Net cash used in noncapital financing activities	<u>206,892</u>				<u>206,892</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(3,274,734)				(3,274,734)
Proceeds received from disposal of capital assets	56,454				56,454
Net cash used in capital financing activities	<u>(3,218,280)</u>				<u>(3,218,280)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income received	68,344	110,563	384,140	227,772	790,819
Change in fair value of cash equivalent investments	47,660	80,232	274,567	71,409	473,868
NET INCREASE IN CASH AND CASH EQUIVALENTS	414,836	100,969	5,102,012	436,250	6,054,067
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,589,261</u>	<u>6,513,246</u>	<u>19,263,637</u>	<u>5,625,480</u>	<u>34,991,624</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,004,097</u>	<u>\$ 6,614,215</u>	<u>\$ 24,365,649</u>	<u>\$ 6,061,730</u>	<u>\$ 41,045,691</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 684,635	\$ (1,492,787)	\$ 4,267,598	\$ (1,319,799)	\$ 2,139,647
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	2,563,654				2,563,654
(Increase) decrease in operating assets					
Accounts receivable	32,541		215,382	840	248,763
Due from other governments	10,000	1,041		(190,388)	(179,347)
Inventories	(4,711)				(4,711)
Prepaid items	(718)	(1,722)	2,037	(4,295)	(4,698)
Increase (decrease) in operating liabilities					
Accounts payable and accrued expenses	66,880	36,220	591,561	4,623	699,284
Accrued salaries and benefits	400	891			1,291
Compensated absences	9,286	2,197			11,483
Self-insurance liability		1,362,163	(633,273)	1,646,088	2,374,978
Postemployment benefits other than pensions	4,317	524			4,841
Net pension liability	(56,064)	1,647			(54,417)
Total adjustments	<u>2,625,585</u>	<u>1,402,961</u>	<u>175,707</u>	<u>1,456,868</u>	<u>5,661,121</u>
Net cash provided by (used in) operating activities	<u>\$ 3,310,220</u>	<u>\$ (89,826)</u>	<u>\$ 4,443,305</u>	<u>\$ 137,069</u>	<u>\$ 7,800,768</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Contribution of capital assets	<u>\$ 404,790</u>				<u>\$ 404,790</u>

# CITY OF RENO

## MOTOR VEHICLE INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>				
Charges for services				
Internal service fund charges	\$ 6,649,537	\$ 6,774,537	\$ 6,931,798	\$ 157,261
Miscellaneous			2,216	2,216
Reimbursements and restitution			139,518	139,518
Other				
Total operating revenues	<u>6,649,537</u>	<u>6,774,537</u>	<u>7,073,532</u>	<u>298,995</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	812,681	815,882	750,456	65,426
Employee benefits	491,051	487,850	342,529	145,321
Services and supplies	2,618,015	2,618,015	2,732,258	(114,243)
Depreciation and amortization	2,000,000	2,000,000	2,563,654	(563,654)
Total operating expenses	<u>5,921,747</u>	<u>5,921,747</u>	<u>6,388,897</u>	<u>(467,150)</u>
Operating income (loss)	<u>727,790</u>	<u>852,790</u>	<u>684,635</u>	<u>(168,155)</u>
<b>NONOPERATING REVENUES</b>				
Investment income	15,000	15,000	121,225	106,225
Gain (loss) on capital asset disposition			73,747	73,747
Total nonoperating revenues	<u>15,000</u>	<u>15,000</u>	<u>194,972</u>	<u>179,972</u>
Income (loss) before capital contributions	<u>742,790</u>	<u>867,790</u>	<u>879,607</u>	<u>11,817</u>
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions			404,790	404,790
Federal grants			206,892	206,892
Total capital contributions			<u>611,682</u>	<u>611,682</u>
CHANGE IN NET POSITION	<u>\$ 742,790</u>	<u>\$ 867,790</u>	1,491,289	<u>\$ 623,499</u>
NET POSITION, BEGINNING OF YEAR			<u>10,075,558</u>	
NET POSITION, END OF YEAR			<u>\$ 11,566,847</u>	

# CITY OF RENO

## RISK RETENTION INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>				
Charges for services				
Internal service fund charges	\$ 1,556,145	\$ 1,556,145	\$ 1,556,145	\$
Miscellaneous			135	135
Reimbursements and restitution				
Total operating revenues	<u>1,556,145</u>	<u>1,556,145</u>	<u>1,556,280</u>	<u>135</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	188,287	188,287	186,154	2,133
Employee benefits	103,725	103,725	77,408	26,317
Services and supplies	<u>2,410,242</u>	<u>2,410,242</u>	<u>2,785,505</u>	<u>(375,263)</u>
Total operating expenses	<u>2,702,254</u>	<u>2,702,254</u>	<u>3,049,067</u>	<u>(346,813)</u>
Operating income	<u>(1,146,109)</u>	<u>(1,146,109)</u>	<u>(1,492,787)</u>	<u>(346,678)</u>
<b>NONOPERATING REVENUES</b>				
Investment income	<u>40,000</u>	<u>40,000</u>	<u>198,268</u>	<u>158,268</u>
CHANGE IN NET POSITION	<u>\$ (1,106,109)</u>	<u>\$ (1,106,109)</u>	(1,294,519)	<u>\$ (188,410)</u>
NET POSITION, BEGINNING OF YEAR			<u>3,811,458</u>	
NET POSITION, END OF YEAR			<u>\$ 2,516,939</u>	

# CITY OF RENO

## SELF-FUNDED MEDICAL PLAN INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services				
Internal service fund charges	\$ 31,412,252	\$ 31,412,252	\$ 30,756,438	\$ (655,814)
Miscellaneous				
Stop-loss reimbursements			458,214	458,214
Other	10,000	10,000	946,264	936,264
Total operating revenues	<u>31,422,252</u>	<u>31,422,252</u>	<u>32,160,916</u>	<u>738,664</u>
OPERATING EXPENSES				
Services and supplies	<u>29,867,379</u>	<u>29,867,379</u>	<u>27,893,318</u>	<u>1,974,061</u>
Operating income	<u>1,554,873</u>	<u>1,554,873</u>	<u>4,267,598</u>	<u>2,712,725</u>
NONOPERATING REVENUES				
Investment income	<u>91,000</u>	<u>91,000</u>	<u>700,707</u>	<u>609,707</u>
CHANGE IN NET POSITION	<u>\$ 1,645,873</u>	<u>\$ 1,645,873</u>	4,968,305	<u>\$ 3,322,432</u>
NET POSITION, BEGINNING OF YEAR			<u>17,031,348</u>	
NET POSITION, END OF YEAR			<u>\$ 21,999,653</u>	

## CITY OF RENO

### SELF-FUNDED WORKERS COMPENSATION INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>				
Charges for services				
Internal service fund charges	\$ 6,858,436	\$ 6,858,436	\$ 6,779,404	\$ (79,032)
Miscellaneous			106,693	106,693
Stop-loss reimbursements			<u>106,693</u>	<u>106,693</u>
Total operating revenues	<u>6,858,436</u>	<u>6,858,436</u>	<u>6,886,097</u>	<u>27,661</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	75,744			
Employee benefits	40,674			
Services and supplies	<u>7,716,926</u>	<u>7,833,344</u>	<u>8,205,896</u>	<u>(372,552)</u>
Total operating expenses	<u>7,833,344</u>	<u>7,833,344</u>	<u>8,205,896</u>	<u>(372,552)</u>
Operating loss	<u>(974,908)</u>	<u>(974,908)</u>	<u>(1,319,799)</u>	<u>(344,891)</u>
<b>NONOPERATING REVENUES</b>				
Investment income	<u>50,000</u>	<u>50,000</u>	<u>306,660</u>	<u>256,660</u>
Total nonoperating revenues	<u>50,000</u>	<u>50,000</u>	<u>306,660</u>	<u>256,660</u>
Income before capital contributions and transfers	<u>(924,908)</u>	<u>(924,908)</u>	<u>(1,013,139)</u>	<u>(88,231)</u>
CHANGE IN NET POSITION	<u>\$ (924,908)</u>	<u>\$ (924,908)</u>	<u>(1,013,139)</u>	<u>\$ (88,231)</u>
NET POSITION, BEGINNING OF YEAR			<u>(50,323,362)</u>	
NET POSITION, END OF YEAR			<u>\$ (51,336,501)</u>	



# **FIDUCIARY FUNDS**



# CITY OF RENO

## AGENCY FUNDS

**FOR THE YEAR ENDED JUNE 30, 2019**

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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 Somerset Parkway development, and the Double R Boulevard development.



# CITY OF RENO

## AGENCY FUNDS COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES JUNE 30, 2019

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	<u>Deposits</u>	<u>Special Assessments District</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 4,601,420	\$ 6,000,725	\$ 10,602,145
Interest receivable	20,004	92	20,096
Special assessments receivable		<u>1,062,545</u>	<u>1,062,545</u>
Total assets	<u>\$ 4,621,424</u>	<u>\$ 7,063,362</u>	<u>\$ 11,684,786</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	\$ 419,457	\$ 2,916	\$ 422,373
Due to other governments		74	74
Deposits	4,201,967	37,753	4,239,720
Due to developers, employees and others		<u>7,022,619</u>	<u>7,022,619</u>
Total liabilities	<u>\$ 4,621,424</u>	<u>\$ 7,063,362</u>	<u>\$ 11,684,786</u>

# CITY OF RENO

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>DEPOSITS</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 2,521,241	\$ 2,822,387	\$ 742,208	\$ 4,601,420
Interest receivable	<u>8,220</u>	<u>20,004</u>	<u>8,220</u>	<u>20,004</u>
Total assets	<u>\$ 2,529,461</u>	<u>\$ 2,842,391</u>	<u>\$ 750,428</u>	<u>\$ 4,621,424</u>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 30,501	\$ 382,356	\$	\$ 419,457
Deposits	<u>2,498,960</u>	<u>2,726,135</u>	<u>1,016,528</u>	<u>4,201,967</u>
Total liabilities	<u>\$ 2,529,461</u>	<u>\$ 3,108,491</u>	<u>\$ 1,016,528</u>	<u>\$ 4,621,424</u>
<b>SPECIAL ASSESSMENTS DISTRICT</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 6,014,879	\$ 1,840,609	\$ 1,854,763	\$ 6,000,725
Interest receivable	186		94	92
Special assessments receivable	1,101,258		38,713	1,062,545
Due from other governments	<u>13,064</u>		<u>13,064</u>	
Total assets	<u>\$ 7,129,387</u>	<u>\$ 1,840,609</u>	<u>\$ 1,906,634</u>	<u>\$ 7,063,362</u>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 2,903	\$ 2,916	\$ 2,903	\$ 2,916
Due to other governments		74		74
Deposits	116,867	113,419	192,533	37,753
Due to developers, employees and others	<u>7,009,617</u>	<u>1,583,004</u>	<u>1,570,002</u>	<u>7,022,619</u>
Total liabilities	<u>\$ 7,129,387</u>	<u>\$ 1,699,413</u>	<u>\$ 1,765,438</u>	<u>\$ 7,063,362</u>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 8,536,120	\$ 4,662,996	\$ 2,596,971	\$ 10,602,145
Interest receivable	8,406	20,004	8,314	20,096
Special assessments receivable	1,101,258		38,713	1,062,545
Due from other governments	<u>13,064</u>		<u>13,064</u>	
Total assets	<u>\$ 9,658,848</u>	<u>\$ 4,683,000</u>	<u>\$ 2,657,062</u>	<u>\$ 11,684,786</u>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 33,404	\$ 385,272	\$ 2,903	\$ 422,373
Due to other governments		74		74
Deposits	2,615,827	2,839,554	1,209,061	4,239,720
Due to developers, employees and others	<u>7,009,617</u>	<u>1,583,004</u>	<u>1,570,002</u>	<u>7,022,619</u>
Total liabilities	<u>\$ 9,658,848</u>	<u>\$ 4,807,904</u>	<u>\$ 2,781,966</u>	<u>\$ 11,684,786</u>

# **STATISTICAL SECTION**



# CITY OF RENO

## STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

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### 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, 2010	June 30, 2011	June 30, 2012	June 30, 2013 <sup>1</sup>	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
<b>Governmental activities</b>										
Net investment in capital assets	\$ 618,355,944	\$ 593,821,001	\$ 568,036,514	\$ 611,511,174	\$ 595,550,858	\$ 585,575,771	\$ 586,905,472	\$ 586,413,361	\$ 495,954,317	\$ 517,184,024
Restricted	124,107,635	109,063,215	109,857,977	67,160,649	61,109,252	63,141,142	62,938,668	69,911,871	84,631,336	85,416,143
Unrestricted	(108,980,875)	(115,256,598)	(151,304,989)	(153,724,428)	(161,747,541)	(377,534,397)	(377,992,156)	(397,845,441)	(466,562,388)	(458,474,598)
<b>Total governmental activities</b>	<b>633,482,704</b>	<b>587,627,618</b>	<b>526,589,502</b>	<b>524,947,395</b>	<b>494,912,569</b>	<b>271,182,516</b>	<b>271,851,984</b>	<b>258,479,791</b>	<b>114,023,265</b>	<b>144,125,569</b>
<b>Business-type activities</b>										
Net investment in capital assets	214,755,484	218,250,502	210,627,844	222,509,756	240,575,536	246,425,571	265,284,816	287,321,065	304,619,062	322,228,682
Restricted	21,826,023	19,801,326	15,873,574	13,193,945	9,571,325	15,740,934	12,461,499	11,426,497	15,117,358	20,477,340
Unrestricted	93,237,985	104,776,619	109,992,320	111,933,729	124,758,772	123,604,942	136,950,922	148,407,980	154,661,330	174,853,406
<b>Total business-type activities</b>	<b>329,819,492</b>	<b>342,828,447</b>	<b>336,493,738</b>	<b>347,637,430</b>	<b>374,905,633</b>	<b>385,771,447</b>	<b>414,697,237</b>	<b>447,155,542</b>	<b>474,397,750</b>	<b>517,559,428</b>
<b>Primary government</b>										
Net investment in capital assets	833,111,428	812,071,503	778,664,358	834,020,930	836,126,394	832,001,342	852,190,288	873,734,426	800,573,379	839,412,706
Restricted	145,933,658	128,864,541	125,731,551	80,354,594	70,680,577	78,882,076	75,400,167	81,338,368	99,748,694	105,893,483
Unrestricted	(15,742,890)	(10,479,979)	(41,312,669)	(41,790,699)	(36,988,769)	(253,929,455)	(241,041,234)	(249,437,461)	(311,901,058)	(283,621,192)
<b>Total primary government</b>	<b>\$ 963,302,196</b>	<b>\$ 930,456,065</b>	<b>\$ 863,083,240</b>	<b>\$ 872,584,825</b>	<b>\$ 869,818,202</b>	<b>\$ 656,953,963</b>	<b>\$ 686,549,221</b>	<b>\$ 705,635,333</b>	<b>\$ 588,421,015</b>	<b>\$ 661,684,997</b>

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, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 18,574,403	\$ 29,313,696	\$ 32,686,051	\$ 31,516,451	\$ 34,595,215	\$ 34,959,761	\$ 37,047,462	\$ 41,978,398	\$ 41,281,443	\$ 43,077,447
Judicial	8,058,683	7,758,252	7,223,028	7,688,589	7,297,142	7,064,894	7,492,820	6,981,342	6,790,019	7,719,808
Public safety	130,335,490	124,769,041	114,990,532	115,072,376	117,170,198	117,967,671	113,837,313	125,044,792	140,378,971	135,931,879
Public works	60,159,772	71,642,584	57,540,323	55,111,936	59,149,082	56,800,273	58,151,262	53,569,579	54,783,301	52,539,862
Culture and recreation	21,762,316	16,526,697	14,526,095	18,749,736	15,499,368	16,203,541	15,136,956	15,900,003	15,812,351	16,968,478
Planning and community development	13,350,564	10,637,234	9,849,260	10,582,512	13,676,995	12,900,777	9,751,297	10,222,340	11,879,768	12,844,761
Urban development	3,349,279	2,258,852	1,248,972	2,086,290	2,359,947	3,377,771	3,604,756	3,298,662	14,091,779	5,188,558
Interest on long-term debt	23,447,574	23,291,115	29,368,720	27,179,603	26,974,140	25,747,130	26,635,439	25,215,536	43,638,851	31,462,922
<b>Total governmental activities</b>	<b>279,038,081</b>	<b>286,197,471</b>	<b>267,432,981</b>	<b>267,987,493</b>	<b>276,722,087</b>	<b>275,021,818</b>	<b>271,657,305</b>	<b>282,210,652</b>	<b>328,656,483</b>	<b>305,733,715</b>
<b>Business-type activities</b>										
Sanitary sewer	44,686,785	43,965,081	44,364,321	49,972,058	44,818,778	45,501,401	46,827,174	48,310,736	51,557,336	55,576,663
Golf course	1,503,904	1,318,289	1,295,630	4	3,784,827	3,663,078	4,912,814	8,526,753	7,637,116	7,558,741
Building permit	4,225,351	3,899,577	3,605,348							
Other	10,082,406									
<b>Total business-type activities</b>	<b>60,498,446</b>	<b>49,182,957</b>	<b>49,265,299</b>	<b>53,756,885</b>	<b>48,481,856</b>	<b>50,414,215</b>	<b>54,419,053</b>	<b>56,837,489</b>	<b>59,194,452</b>	<b>63,135,404</b>
<b>Total primary government expenses</b>	<b>\$ 339,536,527</b>	<b>\$ 335,380,428</b>	<b>\$ 316,698,280</b>	<b>\$ 321,744,378</b>	<b>\$ 325,203,943</b>	<b>\$ 325,436,033</b>	<b>\$ 326,076,358</b>	<b>\$ 339,048,141</b>	<b>\$ 387,850,935</b>	<b>\$ 368,869,119</b>
<b>Program revenues</b>										
<b>Governmental activities</b>										
Charges for services	\$ 79,659,622	\$ 78,773,277	\$ 78,782,531	\$ 71,230,131	\$ 77,386,117	\$ 87,763,470	\$ 80,983,532	\$ 82,952,588	\$ 85,601,102	\$ 89,634,449
Operating grants and contributions	14,233,258	11,018,024	11,298,769	16,166,706	14,509,325	6,112,837	4,638,289	6,239,951	8,577,398	11,141,118
Capital grants and contributions	14,822,589	8,523,226	11,601,446	45,488,140	25,493,658	24,379,900	38,873,140	25,213,159	27,242,197	58,129,633
<b>Total governmental activities</b>	<b>108,715,469</b>	<b>98,314,527</b>	<b>101,682,746</b>	<b>132,884,977</b>	<b>117,389,100</b>	<b>118,256,207</b>	<b>124,494,961</b>	<b>114,405,698</b>	<b>121,420,697</b>	<b>158,905,200</b>
<b>Business-type activities</b>										
Charges for services	49,324,337	50,079,335	51,870,951	60,037,239	64,627,936	67,346,657	72,038,470	74,405,278	77,649,784	81,957,218
Operating grants and contributions	209,258	168,668	31,055	32,194	17,003	12,415	100,000	2,014,816	2,107,002	2,016,429
Capital grants and contributions	9,666,201	4,408,097	3,722,997	8,170,432	11,832,463	11,870,370	12,798,509	12,722,105	15,084,733	18,823,851
<b>Total business-type activities</b>	<b>59,199,796</b>	<b>54,656,100</b>	<b>55,625,003</b>	<b>68,239,865</b>	<b>76,477,402</b>	<b>79,229,442</b>	<b>84,936,979</b>	<b>89,142,199</b>	<b>94,841,519</b>	<b>102,797,498</b>
<b>Total primary government program revenues</b>	<b>\$ 167,915,265</b>	<b>\$ 152,970,627</b>	<b>\$ 157,307,749</b>	<b>\$ 201,124,842</b>	<b>\$ 193,866,502</b>	<b>\$ 197,485,649</b>	<b>\$ 209,431,940</b>	<b>\$ 203,547,897</b>	<b>\$ 216,262,216</b>	<b>\$ 261,702,698</b>
<b>Net (expenses) program revenues</b>										
<b>Governmental activities</b>										
Governmental activities	\$ (170,322,612)	\$ (187,882,944)	\$ (165,750,235)	\$ (135,102,516)	\$ (159,332,987)	\$ (156,765,611)	\$ (147,162,344)	\$ (167,804,954)	\$ (207,235,786)	\$ (146,828,515)
<b>Business-type activities</b>										
Business-type activities	(1,298,650)	5,473,143	6,359,704	14,482,980	27,995,546	28,815,227	30,517,926	32,304,710	35,647,067	39,662,094
<b>Primary government</b>	<b>\$ (171,621,262)</b>	<b>\$ (182,409,801)</b>	<b>\$ (159,390,531)</b>	<b>\$ (120,619,536)</b>	<b>\$ (131,337,441)</b>	<b>\$ (127,950,384)</b>	<b>\$ (116,644,418)</b>	<b>\$ (135,500,244)</b>	<b>\$ (171,588,719)</b>	<b>\$ (107,166,421)</b>

(Continued)

# CITY OF RENO

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

	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013 <sup>2</sup>	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 72,105,003	\$ 63,682,340	\$ 58,655,405	\$ 63,114,015	\$ 57,082,120	\$ 59,584,697	\$ 62,911,698	\$ 64,741,866	\$ 67,914,073	\$ 70,869,469
Room taxes			7,168,308	7,833,957	7,807,221	8,159,606	9,447,442	10,122,000	11,251,668	11,353,561
Sales taxes restricted for debt service	3 8,479,614	8,996,391	8,840,449	9,471,192	9,903,240	10,185,663	10,741,137	10,759,268	11,839,077	12,021,468
Other sales taxes	3 11,382,500	11,579,095				389,190	335,196	344,552	940,212	1,247,683
Other taxes										
Intergovernmental shared revenues, unrestricted	43,194,548	43,533,413	45,129,675	47,120,546	50,968,970	56,303,364	61,109,344	62,999,604	71,671,374	74,268,996
Investment income	2,517,574	2,360,479	2,195,454	1,942,762	1,970,100	1,768,688	1,916,744	1,737,946	2,142,261	5,797,725
Change in fair value of investments				(260,892)	(21,550)	(11,444)				
Gain on disposal of capital assets			277,930	46,716	462,903	98,478	50,704	261,648	2,317,168	96,342
Miscellaneous	401,007	861,751	1,087,310	890,666	272,370	1,293,456	1,097,297	3,272,471	1,259,772	1,060,643
Transfers	(8,161,075)	(1,140,227)	(600,410)	3,301,447	852,787	560,821	222,254	153,406	846,396	214,932
Total governmental activities	<u>129,919,171</u>	<u>129,873,242</u>	<u>122,754,121</u>	<u>133,460,409</u>	<u>129,298,161</u>	<u>138,332,519</u>	<u>147,831,816</u>	<u>154,392,761</u>	<u>170,182,001</u>	<u>176,930,819</u>
Business-type activities										
Investment income	3 60,941	165,705	101,805	159,390	114,015	215,808	421,469	289,186	775,338	3,676,463
Change in fair value of investments	3		114,596	(228,228)	(18,597)	(31,503)				
Gain on disposal of capital assets				18,833						
Miscellaneous	10,968	126,155	99,035	12,164	30,026	8,531	14,721	17,815	14,579	38,053
Transfers	8,161,075	1,140,227	600,410	(3,301,447)	(852,787)	(560,821)	(222,254)	(153,406)	(846,396)	(214,932)
Total business-type activities	<u>8,232,984</u>	<u>1,432,087</u>	<u>915,846</u>	<u>(3,339,288)</u>	<u>(727,343)</u>	<u>(367,985)</u>	<u>213,936</u>	<u>153,595</u>	<u>(56,479)</u>	<u>3,499,584</u>
Total primary government general revenues and other changes in net position	<u>\$ 138,152,155</u>	<u>\$ 131,305,329</u>	<u>\$ 123,669,967</u>	<u>\$ 130,121,121</u>	<u>\$ 128,570,818</u>	<u>\$ 137,964,534</u>	<u>\$ 148,045,752</u>	<u>\$ 154,546,356</u>	<u>\$ 170,125,522</u>	<u>\$ 180,430,403</u>
Change in net position										
Governmental activities	\$ (40,403,441)	\$ (58,009,702)	\$ (42,996,114)	\$ (1,642,107)	\$ (30,034,826)	\$ (18,433,092)	\$ 669,472	\$ (13,412,193)	\$ (37,053,785)	\$ 30,102,304
Business-type activities	6,934,334	6,905,230	7,275,550	11,143,692	27,268,203	28,447,242	30,731,862	32,458,305	35,590,588	43,161,678
Primary government	<u>\$ (33,469,107)</u>	<u>\$ (51,104,472)</u>	<u>\$ (35,720,564)</u>	<u>\$ 9,501,585</u>	<u>\$ (2,766,623)</u>	<u>\$ 10,014,150</u>	<u>\$ 31,401,334</u>	<u>\$ 19,046,112</u>	<u>\$ (1,463,197)</u>	<u>\$ 73,263,982</u>

1. The Planning Enterprise Fund was established in fiscal year 2005.

2. Charges for services for Fire includes Truckee Meadows Fire Protection District (TMFPD) contract payments and federal strike team reimbursements. Beginning fiscal year 2013, the City no longer receives payments from TMFPD.

3. Expenses for Public Works include a one time, book entry-only expense related to the Cabela's Series 2007 Sales Tax Increment Bond).

4. Dispatch and Planning, both formerly enterprise funds, and Communications & Technology, an internal service fund, moved into the General Fund effective July 1, 2010.

**CITY OF RENO**  
**FUND BALANCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	June 30, 2010	June 30, 2011 <sup>1</sup>	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
General fund										
Reserved	\$ 2,504,173									
Unreserved	5,123,776									
Nonspendable		688,328	494,775	454,285	411,578	582,723	692,173	780,792	959,180	1,199,686
Restricted		1,680,634	821,800	885,998	878,979	584,162	423,202	470,150	391,853	350,888
Assigned		187,626	171,147	224,188	351,624	179,048	1,098,548	1,110,415	1,374,662	6,017,002
Unassigned		2,948,665	5,018,570	5,895,188	10,588,880	10,419,632	17,405,569	18,681,120	28,566,273	24,952,874
Total general fund	<u>\$ 7,627,949</u>	<u>\$ 5,505,253</u>	<u>\$ 6,506,292</u>	<u>\$ 7,459,659</u>	<u>\$ 12,231,061</u>	<u>\$ 11,765,565</u>	<u>\$ 19,619,492</u>	<u>\$ 21,042,477</u>	<u>\$ 31,291,968</u>	<u>\$ 32,520,450</u>
Other governmental funds										
Reserved	\$ 111,417,520									
Unreserved										
Special revenue funds	3,500,599									
Capital projects funds	(2,313,234)									
Nonspendable		40,717,557	37,769,370	1,268,875	1,332,978	1,457,301	1,226,450	435,662	1,971,184	634,133
Restricted		53,944,358	33,346,579	35,626,928	35,827,565	42,270,001	44,450,952	48,627,137	56,262,302	48,365,900
Committed		68,188								
Assigned		11,277,020	15,503,200	19,137,930	23,416,652	32,308,796	33,538,800	32,365,381	33,227,735	19,969,814
Unassigned			(1,063,493)	(855,487)	(638,540)	(131)	(17,857)	(893,235)	(2,406,912)	
Total other governmental funds	<u>\$ 112,604,885</u>	<u>\$ 106,007,123</u>	<u>\$ 85,555,656</u>	<u>\$ 55,178,246</u>	<u>\$ 59,938,655</u>	<u>\$ 76,035,967</u>	<u>\$ 79,198,345</u>	<u>\$ 80,534,945</u>	<u>\$ 89,054,309</u>	<u>\$ 68,969,847</u>

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, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
<b>REVENUES</b>										
Taxes	\$ 79,889,904	\$ 71,523,551	\$ 58,748,573	\$ 63,271,011	\$ 59,001,032	\$ 59,807,585	\$ 63,487,873	\$ 65,039,147	\$ 68,248,692	\$ 70,763,557
Property taxes			4,589,258	4,889,769	5,218,458	5,676,302	6,115,040	6,437,051	6,961,022	7,244,915
Motor vehicle taxes			7,565,981	8,761,171	8,791,459	9,980,712	10,672,001	12,289,177	14,114,632	14,205,481
Room and construction taxes			2,667,490	2,781,495	2,976,670	3,213,482	3,457,174	3,900,032	4,154,478	3,946,925
Intergovernmental SCCR (AB104) taxes										
Intergovernmental	82,646,049	82,475,857	614,393	458,621	489,208	491,796	528,611	538,392	582,298	596,633
Intergovernmental capital project taxes			40,909,269	42,849,236	46,470,929	51,516,367	56,213,644	57,547,949	66,080,349	68,927,870
Intergovernmental consolidated taxes									319,349	310,579
Intergovernmental marijuana fees			1,552,916	1,489,815	1,521,371	1,573,515	1,438,526	1,551,623	1,436,546	1,394,201
Intergovernmental gaming licenses			22,710,178	23,713,630	28,503,338	29,783,710	29,024,649	27,598,329	29,571,102	29,964,081
Franchise fees			15,294,161	18,096,605	16,638,013	19,272,102	20,166,644	19,935,183	20,170,727	23,040,239
Licenses, permits and other fees	37,212,757	36,289,020	3,152,638	3,562,917	3,768,781	3,280,470	3,070,181	3,446,857	3,448,256	3,924,225
Special assessments	3,168,898	3,143,163	14,277,737	22,035,375	19,483,785	12,521,874	22,517,462	9,040,356	11,151,351	12,553,089
Grants and contributions			13,355,685	12,781,829	13,286,822	12,006,097	12,263,731	13,293,982	13,896,609	15,534,884
Charges for services	19,671,203	14,181,291	2,003,432	2,187,000	2,144,842	1,965,290	1,936,490	1,821,970	1,899,848	1,714,799
Downtown district room surcharge			20,327,167	9,621,894	9,903,240	10,574,853	11,076,333	11,103,820	12,779,289	13,269,151
Dedicated sales taxes			3,429,246	2,957,839	3,971,584	3,736,055	2,962,315	2,710,589	2,701,997	2,993,486
Fines and forfeitures	3,990,373	3,365,867	2,902,289	2,425,290	2,390,854	9,032,184	1,540,854	3,187,150	2,097,703	2,320,908
Reimbursements and restitutions			2,063,066	2,064,286	1,997,409	2,090,023	2,287,341	2,376,010	2,446,625	2,288,618
Rents and royalties			1,941,746	2,026,114	1,777,641	1,668,137	1,666,139	1,575,734	1,753,279	1,973,871
Investment income			157,483	(260,892)	(21,550)	(11,444)	174,789	(152,671)	(207,152)	1,258,335
Change in fair value of investments			10,283,728	8,684,396	1,743,847	1,177,304	1,067,642	2,799,447	1,700,361	2,355,626
Miscellaneous									4,724,793	1,574,550
<b>Total revenues</b>	<b>238,804,658</b>	<b>221,689,259</b>	<b>219,842,450</b>	<b>226,609,812</b>	<b>229,272,024</b>	<b>240,976,559</b>	<b>252,209,753</b>	<b>245,773,851</b>	<b>268,552,385</b>	<b>280,994,162</b>
<b>EXPENDITURES</b>										
<b>Current</b>										
General government	15,479,395	16,666,438	16,050,720	17,355,782	17,031,363	17,833,189	19,689,312	21,745,472	22,568,456	24,726,227
Judicial	7,011,359	7,004,347	6,646,471	6,931,295	6,521,204	6,298,950	6,841,408	6,713,612	7,066,610	7,387,621
Public safety	113,134,307	108,124,303	102,411,946	101,611,973	102,085,861	101,481,555	108,765,678	115,533,392	123,882,849	128,015,631
Public works	20,886,321	25,650,774	20,415,789	18,516,373	19,143,703	18,625,469	21,998,362	19,925,198	20,672,791	23,874,550
Culture and recreation	17,081,909	11,880,240	9,144,130	10,497,003	9,722,309	9,735,128	10,134,955	10,537,381	10,713,778	10,842,955
Planning and community development	12,580,256	10,277,705	9,302,599	10,820,153	12,068,497	10,174,232	8,981,627	9,967,714	12,078,757	12,660,136
Urban redevelopment	3,055,179	1,239,530	787,315	754,499	737,761	755,744	1,097,947	856,024	917,804	2,071,464
Other	4,784,752	4,728,491	8,772,774	8,080,474	9,034,265	8,789,937	8,777,586	9,712,505	9,865,177	10,875,945
<b>Total current</b>	<b>194,013,478</b>	<b>185,571,828</b>	<b>173,531,744</b>	<b>174,567,552</b>	<b>176,344,963</b>	<b>173,694,204</b>	<b>186,286,875</b>	<b>194,991,298</b>	<b>207,766,222</b>	<b>220,454,529</b>
<b>Capital outlay</b>										
General government						42,591	135,779	76,881	165,443	445,882
Public safety			388,294	21,541	24,261	852,404	797,182	475,516	862,098	2,815,140
Public works			20,260,185	8,118,958	8,471,828	7,624,195	18,074,363	10,518,029	9,524,245	6,729,763
Culture and recreation			830,499	1,210,489	420,468	3,700	1,900,735	1,634,620	1,989,272	1,242,403
Planning and community development							1,234,738	643,326	851,119	855,334
Urban redevelopment								86,162		154,868
Other	20,673,508	16,974,168				45,257				15,000
<b>Total capital outlay</b>	<b>20,673,508</b>	<b>16,974,168</b>	<b>21,478,978</b>	<b>9,350,988</b>	<b>8,916,557</b>	<b>8,568,147</b>	<b>22,142,797</b>	<b>13,434,534</b>	<b>13,392,177</b>	<b>12,258,390</b>

(Continued)

# CITY OF RENO

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

	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Debt service										
Principal payments	13,506,867	16,160,660	15,551,744	16,590,010	69,942,333	25,573,149	15,795,203	25,731,849	19,508,515	16,129,495
Interest expense and fiscal charges	19,172,227	18,856,808	17,948,596	17,569,966	16,141,074	15,578,936	14,629,271	14,068,466	13,472,380	14,430,248
Payment to current bond refunding agent									233,654,262	81,384,497
Debt issuance costs		413,003	74,835		997,570			236,407	1,894,599	993,009
Administrative and other costs	<u>2,784,617</u>	<u>2,747,770</u>	<u>2,784,943</u>	<u>2,480,894</u>	<u>2,773,560</u>	<u>2,717,256</u>	<u>2,605,268</u>	<u>1,980,711</u>	<u>2,251,974</u>	<u>427,997</u>
Total debt service	<u>35,463,711</u>	<u>38,178,241</u>	<u>36,360,118</u>	<u>36,640,870</u>	<u>89,854,537</u>	<u>43,869,341</u>	<u>33,029,742</u>	<u>42,017,433</u>	<u>270,781,730</u>	<u>113,365,246</u>
Total expenditures	<u>250,150,697</u>	<u>240,724,237</u>	<u>231,370,840</u>	<u>220,559,410</u>	<u>275,116,057</u>	<u>226,131,692</u>	<u>241,459,414</u>	<u>250,443,265</u>	<u>491,940,129</u>	<u>346,078,165</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(11,346,039)</u>	<u>(19,034,978)</u>	<u>(11,528,390)</u>	<u>6,050,402</u>	<u>(45,844,033)</u>	<u>14,844,867</u>	<u>10,750,339</u>	<u>(4,669,414)</u>	<u>(223,387,744)</u>	<u>(65,084,003)</u>
OTHER FINANCING SOURCES (USES)										
Issuance of debt	2	17,091,000	2,167,075	366,602	79,940,715	187,512	112,710	7,295,000	232,495,415	85,165,000
Debt issuance premiums					5,599,737				7,346,769	1,032,815
Payment to advance refunding bond agent		(3,860,413)			(34,897,247)					(11,610,596)
Debt issuance discounts								(55,202)		
Proceeds from capital asset disposal	6,070	935,745	160,188	555,513	4,496,279	187,437	41,256	35,795	2,202,415	46,716
Transfers in	32,877,213	28,962,823	16,408,268	20,324,192	22,460,457	31,898,195	16,724,066	14,601,680	16,514,508	23,983,577
Transfers out	(45,545,159)	(30,129,544)	(23,448,678)	(20,384,158)	(22,224,097)	(31,486,195)	(16,612,066)	(14,448,274)	(16,402,508)	(23,871,577)
Transfer of property held for sale to general capital assets				(36,336,594)						
Other		(218,949)								
Total other financing sources (uses)	<u>(12,661,876)</u>	<u>12,780,662</u>	<u>(4,713,147)</u>	<u>(35,474,445)</u>	<u>55,375,844</u>	<u>786,949</u>	<u>265,966</u>	<u>7,428,999</u>	<u>242,156,599</u>	<u>74,745,935</u>
CHANGE IN FUND BALANCE	<u>\$ (24,007,915)</u>	<u>\$ (6,254,316)</u>	<u>\$ (16,241,537)</u>	<u>\$ (29,424,043)</u>	<u>\$ 9,531,811</u>	<u>\$ 15,631,816</u>	<u>\$ 11,016,305</u>	<u>\$ 2,759,585</u>	<u>\$ 18,768,855</u>	<u>\$ 9,661,932</u>
Debt service as a percentage of noncapital expenditures	4 <u>14.70 %</u>	<u>16.43 %</u>	<u>15.90 %</u>	<u>18.72 %</u>	<u>32.62 %</u>	<u>18.92 %</u>	<u>13.87 %</u>	<u>16.79 %</u>	<u>6.89 %</u>	<u>9.15 %</u>

1. Prior to FY 2012, certain revenues were reported as aggregate amounts, rather than by specific type.
2. Proceeds from borrowing and proceeds from refunding are net of original issue 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<sup>1,2</sup> 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 <sup>3</sup>	Estimated Actual Value	Ratio of Total Taxable Assessed to Total Estimated Actual Value <sup>4</sup>
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 %
2015	240,007	3,903,189	2,644,638	638,864	1,700	60,587	(1,517,309)	5,971,676	0.9598	17,061,931	35.00 %
2016	243,012	4,337,102	2,613,750	661,846	1,695	58,940	(1,513,970)	6,402,375	0.9598	18,292,500	35.00 %
2017	246,019	4,700,708	2,684,041	730,455	1,726	56,117	(1,504,636)	6,914,430	0.9598	19,755,514	35.00 %
2018	265,777	4,935,778	2,736,131	759,955	1,669	57,617	(1,513,963)	7,242,964	0.9598	20,694,183	35.00 %
2019	368,846	5,961,618	3,010,168	859,475	545	61,832	(1,630,665)	8,631,819	0.9598	24,662,340	35.00 %

1. Source - Nevada State Department of Taxation and Office of the Washoe County Assessor.
2. All amounts reflect the City of Reno and the Redevelopment Agency of the City of Reno (Reno Tax Increment Districts 1 and 2).
3. The direct tax rate applicable to the total taxable assess value includes the City's total direct rate.
4. Pursuant to State statute, all property is assessed at 35% of its estimated value.

# CITY OF RENO

## PROPERTY TAX RATES<sup>1</sup> - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$100 OF ASSESS VALUE<sup>2</sup>) LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30.	City of Reno, Direct Rates			Overlapping Rates			
	City Operations	Debt Service	Total Direct Tax	State of Nevada	School District	Washoe County	Special District
			Rate				
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	0.0182 <sup>4</sup>	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	
2015	0.9598		0.9598	0.1700	1.1385	1.3917	
2016	0.9598		0.9598	0.1700	1.1385	1.3917	
2017	0.9598		0.9598	0.1700	1.1385	1.3917	
2018	0.9598		0.9598	0.1700	1.1385	1.3917	
2019	0.9598		0.9598	0.1700	1.1385	1.3917	

For the Year Ended June 30.	Overlapping Rates			Total Direct and Overlapping Rates
	Redevelopment Agency #1	Redevelopment Agency #2	Total Overlapping Rates	
	2010	3.2144	3.2114	
2011	3.2144	3.2144	9.1295	10.0751
2012	3.0916 <sup>4</sup>	3.0916 <sup>4</sup>	8.8834	9.8290
2013	3.1058	3.1058	8.9118	9.8716
2014	3.0960	3.0960	8.8922	9.8520
2015	2.8927	2.8927	8.4856	9.4454
2016	2.9072	2.9072	8.5146	9.4744
2017	2.8981	2.8981	8.4964	9.4562
2018	2.8825	2.8825	8.4652	9.4250
2019	2.8765	2.8765	8.4532	9.4130

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. Beginning in FY 11-12 the State of Nevada "Redbook" no longer distinguishes between General Fund & Debt Service Percentage they are recorded as a total.
4. FY 11-12 amounts were changed in error - totals corrected to show amounts reflected in State of Nevada Redbook FY 11/12.

# CITY OF RENO

## PRINCIPAL PROPERTY TAXPAYERS<sup>1</sup> CURRENT AND NINE YEARS AGO (UNAUDITED)

Taxpayer	2019			2010		
	Taxable Assessed Value <sup>2</sup>	Rank	Approximate Percentage of Taxable Assess Valuation <sup>3</sup>	Taxable Assessed Value <sup>2</sup>	Rank	Approximate Percentage of Taxable Assess Valuation <sup>3</sup>
Peppermill Casino Inc	\$ 104,514	1	1.21 %	\$ 93,472	1	1.35 %
ICON Reno Property Owner Pool 3 NE	51,462	2	0.60 %			
Circus & Eldorado Joint Venture	49,989	3	0.58 %	37,127	3	0.54 %
Golden Road Motor Inn Inc	48,365	4	0.56 %	43,655	2	0.63 %
MPT of Reno LLC	46,070	5	0.53 %			
Gage Village Commercial Dev LLC	43,904	6	0.51 %	23,379	7	
Toll NV Limited Partnership	31,783	7	0.37 %			
AGNL Slots LLC	30,446	8	0.35 %			
Icon Reno Prop Owner Pool 6 West	24,292	9	0.28 %			
Lennar Reno LLC	22,259	10	0.26 %			
Reno Retail Company LLC				22,306	9	0.32 %
Prologis NA3 NV V LLC				23,994	6	0.35 %
Prologic NA3 LLC				30,143	4	0.43 %
International Gaming Technology (IGT)				29,653	5	0.43 %
Charles Rivers Laboratories Inc				22,941	8	0.33 %
Catholic Healthcare West Inc				19,541	10	0.28 %
	<u>\$ 453,084</u>		<u>5.25 %</u>	<u>\$ 346,211</u>		<u>5.00 %</u>

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<sup>1</sup> LAST TEN FISCAL YEARS IN THOUSANDS (UNAUDITED)

<u>For the Year Ended June 30,</u>	<u>Tax Levy</u>	<u>Current Tax Levy Collections</u>	<u>Percent of Tax Levy Collected</u>	<u>Delinquent Tax Levy Collections</u>	<u>Total Tax Levy Collected</u>	<u>Percent of Total Tax Levy Collected to Tax Levy</u>
2010	\$ 65,101	\$ 63,900	98.1552 %	\$ 1,200	\$ 65,100	99.9985 %
2011	59,823	58,955	98.5491 %	867	59,822	99.9983 %
2012	56,957	56,145	98.5744 %	811	56,956	99.9982 %
2013	55,397	54,678	98.7021 %	718	55,396	99.9982 %
2014	55,901	55,427	99.1521 %	473	55,900	99.9982 %
2015	56,998	56,643	99.3772 %	354	56,997	99.9982 %
2016	59,713	59,480	99.6098 %	231	59,711	99.9967 %
2017	61,992	61,700	99.5290 %	283	61,983	99.9855 %
2018	64,811	64,538	99.5788 %	234	64,772	99.9398 %
2019	62,867	62,592	99.5626 %		62,592	99.5626 %

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

2. Excludes centrally assessed property taxes and Reno Redevelopment Agency taxes.

# CITY OF RENO

## LICENSES AND PERMITS BY CATEGORY<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Business licenses	\$ 11,287,373	\$ 11,364,176	\$ 11,781,860	\$ 12,476,307	\$ 12,969,765	\$ 15,458,489	\$ 16,231,251	\$ 16,118,729	\$ 16,170,577	\$ 18,365,129
City gaming licenses	2,046,810	2,028,215	2,000,542	1,972,027	1,929,494	1,917,251	1,971,267	1,810,594	1,785,717	1,935,624
Liquor licenses	1,277,056	1,264,106	1,293,439	1,399,924	1,473,174	1,642,761	1,754,494	1,787,426	1,876,915	1,999,702
Non-business licenses and permits	35,746	33,131	77,764	45,549		3,306	5,096	9,052	8,372	
Electricity franchise fees	8,266,881	7,314,420	8,897,576	9,258,752	11,634,425	11,330,372	10,251,397	9,389,603	10,671,343	10,459,152
Telephone franchise fees	3,435,740	3,383,752	3,082,993	3,230,640	3,164,583	2,993,460	3,078,404	2,970,414	2,769,691	2,777,762
Natural gas franchise fees	3,396,125	2,817,106	2,656,784	2,107,487	3,622,350	4,068,093	3,917,603	3,028,718	3,277,400	3,147,058
Sanitation franchise fees	2,199,114	2,279,934	2,193,302	2,066,737	2,465,678	3,205,038	3,378,650	3,607,572	3,951,866	4,456,330
Water toll fees	1,376,897	1,448,400	1,511,903	2,306,041	2,788,314 <sup>2</sup>	3,053,773 <sup>2</sup>	3,322,613 <sup>2</sup>	3,470,429 <sup>2</sup>	3,562,554	3,729,957 <sup>2</sup>
Sewer-in-lieu-of-franchise fees	2,020,040	2,227,361	2,355,745	2,587,019	2,788,314	3,053,773	3,322,613	3,470,429	3,562,554	3,729,957
Cable television fees	1,784,686	2,005,415	2,011,875	2,156,954	2,242,873	2,407,101	2,441,541	2,362,450	2,476,689	2,342,652
	<u>\$ 37,126,468</u>	<u>\$ 36,166,016</u>	<u>\$ 37,863,783</u>	<u>\$ 39,607,437</u>	<u>\$ 42,290,656</u>	<u>\$ 46,079,644</u>	<u>\$ 46,352,316</u>	<u>\$ 44,554,987</u>	<u>\$ 46,551,124</u>	<u>\$ 49,213,366</u>

1. Licenses and permits, the City's second largest "own-source" revenue, are presented for the general fund only. Excludes administration fees related to business licensing.
2. Effective fiscal year 2014, water toll fees have been moved to the Streets Special Revenue Fund as this is the fund that uses these fees and to reduce transfers.

# CITY OF RENO

## RATIOS OF OUTSTANDING DEBT<sup>1</sup> BY TYPE LAST TEN FISCAL YEARS IN THOUSANDS, EXCEPT PER CAPITA (UNAUDITED)

For the Year Ended June 30,	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income <sup>3</sup>	Per Capita <sup>3</sup>
	General Obligation Bonds	Tax Allocation Bonds	Pledged Revenue Bonds	Special Assessment Bonds	Other <sup>2</sup>	General Obligation/Pledged Revenue Bonds	Other <sup>2</sup>			
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	6.17 %	2,629
2012	44,885	30,155	383,120	20,303	18,547	84,885		581,895	5.62 %	2,532
2013	41,868	28,756	377,434	18,896	17,543	78,820		563,317	5.37 %	2,426
2014	76,616	27,280	327,345	16,979	17,796	74,474		540,490	5.02 %	2,296
2015	64,472	25,724	318,789	15,660	16,207	69,495		510,347	4.22 %	2,139
2016	58,836	24,094	312,899	14,473	14,626	64,377		489,305	3.88 %	2,021
2017	52,887	22,457	307,118	12,140	12,476	59,118		466,196	3.44 %	1,906
2018	45,506	20,727	364,443	10,849	12,058	53,710		507,293	3.51 %	2,039
2019	37,476	18,932	377,403	9,425	10,660	48,147		502,043	3.27 %	2,018

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](http://www.appliedanalysis.com).
4. Corrected FY 2013 and 2014, originally used wrong population amount.

# CITY OF RENO

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT<sup>1, 2</sup> JUNE 30, 2019 IN THOUSANDS (UNAUDITED)

	Outstanding Debt <sup>3</sup>	Percent Applicable	Applicable General Obligation Debt
City of Reno	\$ 502,043	9.590 %	\$ <u>48,146</u>
Overlapping governments			
Washoe County School District	<sup>4</sup> 735,198	48.160 %	354,071
Washoe County	<sup>4</sup> 131,016	48.150 %	63,084
State of Nevada	<sup>4</sup> <u>1,284,715</u>	6.790 %	<u>87,232</u>
Total overlapping governments	<u>2,150,929</u>		<u>504,387</u>
Total direct and overlapping debt	<u><u>2,652,972</u></u>		<u><u>\$ 552,533</u></u>

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Includes all governmental debt activities and are net of related discounts and premiums.
2. 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 by 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."
3. Represents general obligation bonds repaid through general property taxes.
4. Source: Washoe County for County and State information.

# CITY OF RENO

## RATIOS OF GENERAL BONDED DEBT<sup>1</sup> 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 <sup>2</sup>	Per Capita <sup>3</sup>	Amounts Available to Repay General Bonded Debt	Net General Bonded Debt
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 %	642	425	150,665
2015	64,472	69,495	133,967	0.79 %	561	425	133,542
2016	58,836	64,377	123,213	0.67 %	509	425	122,788
2017	52,887	59,118	112,005	0.57 %	458	425	111,580
2018	45,506	53,710	99,216	0.48 %	399	425	98,791
2019	37,476	48,147	85,623	0.35 %	344	425	85,198

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. The City of Reno charter states that the City shall not incur an indebtedness in excess of 15% of the total assessed property value within the boundaries of the City. The charter exempts (a) warrants or other securities which are payable upon presentation or demand 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.

# CITY OF RENO

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

	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Total taxable assessed property value	<sup>1</sup> \$ <u>6,934,360</u>	<u>6,068,012</u>	<u>5,671,152</u>	<u>5,422,391</u>	<u>5,427,175</u>	<u>5,971,676</u>	<u>6,402,375</u>	<u>6,914,430</u>	<u>7,242,964</u>	<u>8,631,819</u>
Legal debt Margin										
Legal debt limit (15% of taxable assessed property value)	<sup>2</sup> \$ 1,040,154	\$ 910,202	\$ 850,673	\$ 813,359	\$ 814,076	\$ 895,751	\$ 960,356	\$ 1,037,165	\$ 1,086,445	\$ 1,294,773
Debt applicable to debt limit Net general bonded debt	<sup>3</sup> <u>143,270</u>	<u>138,424</u>	<u>129,659</u>	<u>120,675</u>	<u>150,665</u>	<u>133,542</u>	<u>122,788</u>	<u>111,580</u>	<u>98,791</u>	<u>85,198</u>
Legal debt margin	<sup>4</sup> <u>\$ 896,884</u>	<u>\$ 771,778</u>	<u>\$ 721,014</u>	<u>\$ 692,684</u>	<u>\$ 663,411</u>	<u>\$ 762,209</u>	<u>\$ 837,568</u>	<u>\$ 925,585</u>	<u>\$ 987,654</u>	<u>\$ 1,209,575</u>
Total debt applicable to debt limit as a percentage of debt limit	<u>86.23 %</u>	<u>84.79 %</u>	<u>84.76 %</u>	<u>85.16 %</u>	<u>81.49 %</u>	<u>85.09 %</u>	<u>87.21 %</u>	<u>89.24 %</u>	<u>90.91 %</u>	<u>93.42 %</u>

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 and the Reno Municipal Code, and excludes bond premiums and discounts.

# CITY OF RENO

## PLEGGED REVENUE BOND<sup>1</sup> COVERAGE LAST TEN FISCAL YEARS (UNAUDITED)

### Senior Lien Sales and Room Tax Revenue (ReTRAC) Bonds <sup>2</sup>

For the Year Ended June 30,	Debt Service					
	Room Tax Collections <sup>5</sup>	Sales Tax Collections <sup>5</sup>	Available Revenue	Principal	Interest	Coverage
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 %
2015	710,154	8,227,820	8,937,974	2,095,000	4,854,414	128.61 %
2016	854,988	8,864,540	9,719,528	2,250,000	4,723,039	139.39 %
2017	887,957	8,976,874	9,864,831	2,400,000	5,064,471	132.16 %
2018	1,025,199	10,211,963	11,237,162	2,575,000	5,035,864	147.65 %
2019	1,037,858	10,724,252	11,762,110	1,405,000	6,785,788	143.60 %

### Capital Improvement (Events Center) Bonds <sup>3</sup>

For the Year Ended June 30,	Debt Service					
	Room Tax Collections <sup>6</sup>	Intergovernmental Consolidated Taxes (15%) <sup>6</sup>	Available Revenue	Principal	Interest	Coverage
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 %
2015	5,406,411	7,727,455	13,133,866	1,725,000	4,075,616	226.42 %
2016	6,217,456	8,432,047	14,649,503	1,900,000	3,960,242	249.98 %
2017	6,650,707	8,632,193	15,282,900	2,100,000	4,007,953	250.21 %
2018	7,308,361	9,912,052	17,220,413	3,335,000	3,854,972	239.51 %
2019	7,353,585	10,127,524	17,481,109	1,325,000	3,619,913	353.52 %

### Sales Tax Anticipation Revenue (STAR) Bonds <sup>4</sup>

For the Year Ended June 30,	Debt Service			
	Sales Tax Increment Collections	Principal	Interest	Coverage
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 %
2015	1,957,843	1,140,000	1,616,275	71.03 %
2016	1,876,597	1,280,000	1,555,250	66.19 %
2017	1,782,394	1,435,000	1,486,138	61.02 %
2018	1,627,114	1,595,000	1,408,675	54.17 %
2019	1,297,216	1,775,000	1,322,013	41.89 %

### Special Assessment Bonds <sup>10</sup>

For the Year Ended June 30,	Debt Service			
	Special Assessment Collections <sup>7</sup>	Principal <sup>8</sup>	Interest	Coverage
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	1,351,835	128.68 %
2014	3,206,260	1,919,200	1,269,729	100.54 %
2015	2,808,343	1,321,910	1,153,487	113.45 %
2016	2,436,020	1,190,640	1,069,984	107.76 %
2017	2,742,139	1,313,400	544,611	147.58 %
2018	2,125,279	1,299,190	541,007	115.49 %
2019	2,115,801	1,434,010	486,136	110.19 %

(Continued)

# CITY OF RENO

## PLEDGED REVENUE BOND<sup>1</sup> COVERAGE (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Agency Special Assessment Bonds (Includes Sierra Corporation, Somerset and Double R) <sup>10</sup>			
	Debt Service			
	Special Assessment Collections	Principal <sup>8</sup>	Interest	Coverage
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 %
2015	2,414,225	1,315,000	456,191	136.31 %
2016	2,099,830	1,420,000	394,573	115.72 %
2017	2,025,385	1,345,000	341,945	120.06 %
2018	1,887,591	1,340,000	289,463	115.84 %
2019	1,641,434	1,570,000	215,545	91.93 %

For the Year Ended June 30,	Lease Revenue Bonds (ReTrac Properties & Fitzgerald Parking Garage) <sup>11</sup>			
	Debt Service			
	Property Lease/Rent Collections <sup>6</sup>	Principal <sup>9</sup>	Interest	Coverage
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 %
2015	864,294	560,000	50,871	141.49 %
2016	989,960	606,000	59,167	148.83 %
2017	953,555	656,000	83,460	128.95 %
2018	1,068,771	1,286,000	129,711	75.49 %
2019	980,112	684,000	160,969	115.99 %

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 December 28, 1998. These bonds were then called and paid with proceeds from the Series 2002 Senior Lien Sales and Room Tax Bond issued on June 26, 2002. The 2002 bonds were refunded with the issuance of the Series 2006 Bonds on April 14, 2006. 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 March 4, 2008 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 covered capital projects.
3. On October 26, 2005 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 February 5, 2009. 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.  
  
On February 26, 2019, the Series 2005A&B Capital Improvement Bonds were refunded with the issuance of the 2019A-1 Bonds, and the 2005C Bonds were partially advance refunded through the issuance of the 2019A-2 Bonds. Therefore, fiscal year 2019 does not include a June principal or interest payment for the 2005A Bonds nor a principal payment for the 2019A-1 and 2019A-2 bonds.
4. On October 23, 2008, the Series 2007 A & B Cabela's STAR Bonds were issued. Payments shown are based on amortization schedules and not on actuals.
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. Amounts in FY 2017 and FY 2018 reflect adjustments related to the AT&T sales and use tax refund given by the NV State Department of Taxation.
7. Collections and payment information have been adjusted to exclude Agency SAD's beginning FY 2007 - information from Allen Gardner AMG.
8. Principal payments may include early principal redemptions based upon excess fund balance availability.
9. 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.
10. 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 (Somerset Parkway). Fiscal year 2014 includes the December 1 payment on the refunded bonds and the June 1 payment on the Series 2014 bonds.
11. 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. In fiscal year 2018, property whose rents are dedicated to the payments of the bonds were sold, with the proceeds used to make an additional principal payment.
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 <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita Personal Income <sup>3</sup>	Median Age <sup>4</sup>	Public School Enrollment <sup>6</sup>	Charter School Enrollment <sup>7</sup>	Unemployment Rate <sup>5</sup>
	In Thousands						
2010	217,282	\$ 9,140,185	\$ 42,066	\$ 37.0	\$ 31,743	\$ 2,392	13.4 %
2011	222,801	9,496,224	42,622	37.2	31,052	2,435	12.9 %
2012	229,859	10,358,826	45,066	37.4	30,916	2,520	11.7 %
2013	232,243	10,489,952	45,168	37.6	31,295	2,578	9.8 %
2014	235,371	10,769,400	45,755	37.8	32,786	2,564	7.3 %
2015	238,615	12,086,088	50,651	37.1	32,210	1,626 <sup>8</sup>	6.4 %
2016	242,158	12,596,575	52,018	34.0	34,256	2,818	5.9 %
2017	244,612	13,566,182	55,460	35.1	39,669	2,959	4.0 %
2018	248,806	14,444,681	58,056	35.3	39,735	2,900	4.7 %
2019	248,806	15,354,813	61,714	35.5	42,466	3,084	3.4 %

1. 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 therefore 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 X 43%). Personal Income 2012 estimate - Corrected Per Capita Personal Income through 2010 with BEA Figures for each calendar year which corrected each prior year.
3. Per Capita Personal Income 2009 - US Bureau of Economic Analysis Website ([www.bea.gov/regional](http://www.bea.gov/regional)). Trued up all prior years with corrected information from each calendar year. We report on fiscal year; the US Govt reports on a calendar year. Calculated fiscal year using the 2nd quarter of Personal Income from BEA website X 43% as this is the population percent for the Reno/Sparks Metro Area. FY 14-15 BEA website has 2011 - 2013 figures therefore updated calculation for 2014 and 2015 as noted above.
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).
5. 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 June 2008.
6. Washoe County School District . In FY 11/12 corrected previous years - used tax records to verify address in Reno or County.
7. Charter school count totals not available for all schools ([www.nevadareportcard.com](http://www.nevadareportcard.com)).

# CITY OF RENO

## PRINCIPAL EMPLOYERS<sup>1, 2</sup> CURRENT AND NINE YEARS AGO (UNAUDITED)

Taxpayer	December 31, 2018			December 31, 2009		
	Employees	Rank	Percentage of Total City of Reno Employment	Employees	Rank	Percentage of Total City of Reno Employment
Renown Medical Ctr	7400	1	3.14 %			%
AMERCO	3000	2	1.27 %			%
Circus Circus Reno	3000	3	1.27 %			%
Eldorado Resort Casino	3000	4	1.27 %			%
Grand Sierra Resort & Casino	3000	5	1.27 %	1750	10	0.77 %
Harrah's Reno Casino	3000	6	1.27 %			%
International Game Technology	3000	7	1.27 %	2,250	6	1.00 %
Nevada System of Higher Education	3000	8	1.27 %			%
Peppermill Hotel	3000	9	1.27 %	2250	5	1.08 %
Renown Health	3000	10	1.27 %	2250	4	1.08 %
Washoe County School District				7750	1	3.43 %
University of Nevada-Reno				4750	2	2.10 %
Washoe County				2750	3	1.22 %
Silver Legacy				1750	7	0.77 %
St Mary's				1750	8	0.77 %
Atlantis Hotel Casino				1750	9	0.77 %

1. Source: 2009 - Current found at Department of Employment Training & Rehabilitation (Nevada State Website). 2004/2012 - 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<sup>1</sup> LAST TEN FISCAL YEARS<sup>2</sup> (UNAUDITED)

Function/program	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
General government										
Management	6 55	49	46	48	44	47	44	51	51	46
Records management/cashiering	10	8	7	7	7	7	8	7	7	7
Finance	3 33	20	12	11	14	15	15	13	18	19
Legal	35	26	25	24	25	27	28	29	28	28
Human resources	4 13	9	11	6	9	9	12	11	10	9
Information technology	29	17	17	15	16	15	20	19	19	21
Judicial										
Judges	4	4	4	4	4	4	4	4	4	4
Others	58	53	53	49	44	44	43	44	46	46
Police										
Sworn employees	383	294	304	306	318	296	319	329	322	327
Non-commissioned employees	109	52	52	48	46	51	64	52	68	72
Fire										
Authorized emergency personnel	345	213	229	240	192	213	231	231	231	234
Fire prevention officers	19	14	15	12	12	12	11	14	14	14
Others	22	13	13	13	13	9	11	9	9	9
Public works										
Engineers	38	16	11	12	12	11	11	13	13	14
Fleet maintenance	16	11	10	10	10	11	10	10	11	11
Others	128	73	98	108	106	89	91	91	102	111
Planning and community development	40	19	26	23	23	27	25	25	46	28
Culture and recreation	92	43	49	40	69	69	71	71	73	74
Urban development	5									
Sanitary sewer	67	54	50	50	49	63	65	72	56	47
Building permits	56	22	20	20	27	27	44	51	35	35
Golf course	5 4	4	4	3						
Animal shelter										
Dispatch services	70	54	53	51	53	47	53	53	54	54
Neighborhood services										25
<b>Total full-time equivalent employees</b>	<b>1,631</b>	<b>1,068</b>	<b>1,109</b>	<b>1,100</b>	<b>1,093</b>	<b>1,093</b>	<b>1,180</b>	<b>1,199</b>	<b>1,217</b>	<b>1,235</b>

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. Includes Payroll Division employees effective FY 2003 through 2010. Excludes Information Technology (IT) Department employees.
4. Includes Civil Service Department employees. Excludes Payroll Division employees between FY 2003 and FY 2010.
5. Rosewood Lakes Sold May 2014.
6. City Manager & Staff, Council, and Department Heads.

# CITY OF RENO

## OPERATING INDICATORS BY FUNCTION/PROGRAM<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

Function/program	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
General government										
Active annual business licenses	22,456	22,329	23,506	23,457	23,634	23,851	25,173	25,363	24,478	25,766
Business license audits completed	294	288	185	282	296	311	231	202	186	174
Percentage of same day response to public requests for research of public documents	100 %	98 %	100 %	97 %	98 %	98 %	98 %	%	%	%
Total number of public records requests <sup>12</sup>								1,399	4,550	17,138
Average time in days to respond to public records requests <sup>12</sup>								1	7	6
Judicial										
Criminal cases prepared for trial (excl minor traffic cases)	5,598	4,786	3,107	3,774	2,971	2,843	2,256	2,916	3,149	3,152
Cases filed in municipal court	35,866	31,968	23,406	21,586	9,032	21,569	19,685	18,130	20,856	20,462
Cases adjudicated in municipal court	36,711	29,778	21,849	16,146	17,989	21,613	18,394	17,344	19,219	19,559
Police										
Physical arrests	11,434	10,668	10,386	10,444	10,713	10,400	10,134	10,410	11,644	11,212
Misdemeanor citations	3,284	2,381	2,627	2,254	2,246	2,135	2,289	2,566	3,191	3,316
Traffic-related offenses cited <sup>3</sup>	33,430	29,789	19,174	17,780	17,750	12,557	10,385	10,306	10,667	10,526
Fire										
Fire emergencies	1,026	10,636	11,068	8,141	8,870	10,468	8,424	10,915	13,253	13,634
Emergency medical calls	25,716	26,922	26,918	25,793	28,403	25,250	25,272	26,749	28,816	28,093
Inspections <sup>4</sup>	8,216	6,207	6,708	6,036	6,914	6,686	7,735	5,103	7,676	9,455
Public works										
Streets reported in "fair" or better condition	88 %	89 %	89 %	89 %	91 %	92 %	92 %	92 %	93 %	94 %
Pothole calls received <sup>11</sup>	130	136	132	71	54	63	52	274	212	361
Percent of pothole calls repaired within 24 hours	70 %	90 %	95 %	97 %	100 %	100 %	75 %	50 %	30 %	36 %
Culture and recreation										
Participants in senior recreation programs <sup>5</sup>	5,216	5,479	6,477	6,899	7,071	7,123	7,200	6,840	8,183	8,039
Participants in youth programs	3,950	4,372	4,356	4,395	4,672	4,709	3,928	4,240	4,575	5,059
Instructional swimming classes offered	1,674	1,198	1,228	1,242	1,233	923	925	1,084	1,595	748
Planning and community development										
Rental assistance for individuals previously homeless <sup>13</sup>									371	438
Affordable housing units developed <sup>6</sup>			29 <sup>8</sup>	58						360
Housing rehabilitation projects completed			21	12						
Code enforcement cases	5,077	4,044	2,880	2,882	2,814	3,680	3,651	3,917	4,115	3,990
Sanitary sewer										
Lineal feet of sewer lines and storm drains maintained (in millions)	4	4	4	4	4	4	4	4	4	4
Golf course										
Cost per acre per year to maintain golf courses <sup>6</sup> \$	4,700	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 9	\$	\$	\$	\$
Building permits										
Building permits issued	5,023	5,510	5,348	6,211	6,846	7,345	9,080	9,058	10,101	10,323
Average number of monthly building inspections performed	2,348	2,190	2,750	2,748	3,115	3,423	3,423	4,782	5,126	5,324

(Continued)

# CITY OF RENO

## OPERATING INDICATORS BY FUNCTION/PROGRAM<sup>1</sup> (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

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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 provided by the Reno Police Department.
4. FY 09-10 Fire Inspection totals now only include actual buildings inspected. Figures are based on calendar year and not fiscal year. FY 12-13-Changed methodology for reporting Fire Incidents. ALL calls reflected not just actual fires. Total calls for service received minus medical calls left the # of fire emergencies.
5. FY 2009/10 Senior Programming figures now include participation at the Neil Rd facility.
6. New measure added FY 2012/13
7. 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.
8. FY 13-14-Rosewood Lakes Golf Course no longer operated/maintained by the City of Reno
9. FY 16-17 City Clerk changed process and added software to monitor all City of Reno public records requests (excl RPD), changing the performance measure.
10. FY 17-18 City Clerk now includes RPD records requests and the average time of completion for their requests is 10 days which accounts for the changes
11. FY 17-18 Public Works changed its pothole repair program to repair potholes based on geographic location; only potholes on very high traffic streets are repaired within 24 hours.
12. FY 18-19 Increase due to the first full FY including all Public Safety Divisions to City Clerk's centralized records request program-Only Muni Ct is excluded
13. FY 17-18 New measure added for rental assistance from homelessness.

# CITY OF RENO

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

Function/program	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	2	2	2	1	1	2	2
Patrol units	248	239	242	243	250	248	245	288	284	286
Fire										
Stations	13	13	14	14	14	14	14	14	14	14
Fire fighting vehicles	37	36	36	36	29	29	31	34	35	36
Specialty response fire vehicles	4	4	4	4	4	4	4	4	4	4
Ambulances	5	5	5	5	5	5	5	5	5	5
Public works										
Paved streets (miles)	672	681	681	681	681	689	691	709	710	723
Unpaved streets (miles)	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Acreage	2,732	2,741	2,741	2,741	2,741	2,741	2,741	2,744	2,744	2,745
Park facilities	85	85	85	85	85	85	85	85	85	86
Playgrounds	51	51	51	51	51	51	51	51	51	51
Swimming pools	5	5	5	4	4	4	4	4	4	4
Sanitary sewer										
Sanitary sewer lines (miles)	748	756	756	756	751	769	769	784	786	803
Storm drains (miles)	444	481	481	481	528	528	528	530	534	548
Treatment capacity millions of gallons	44	44	44	44	44	44	46	46	40	44
Golf courses	3	1	1	1	1	1	1	1	1	1

1. Source: City of Reno, Finance Department, Budget Division and City of Reno Adopted Budget Book.
2. Fleet Management provided total number of police department vehicles, including undercover and SAVE, increasing the number of vehicles in FY 17.
3. Beginning May 1, 2014, Rosewood Lakes is operated/maintained by- First Tee/Duncan Group. In FY 16 Rosewood Lakes closed due to construction of the SouthEast connector.
4. Fire Vehicles include all fire apparatus and trucks able to pump water and be used in actual fires. In FY 2010 4 vehicles went to auction per Fire Dept-Fleet Maintenance. Also in FY 2014 the number for fire vehicles were reduced to exclude non-fire fighting vehicles and HAZMAT vehicles, but those specialty vehicles have been added back effective FY 2016.
5. In FY 2016 the Fire Department added ambulance services as part of its Emergency Management System.



**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**

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, 2019, 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 27, 2019.


**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 may exist that have not been identified.

**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*.

**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 internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Percy Bowler Taylor & Kern".

Reno, Nevada  
November 27, 2019

# **BUSINESS LICENSE FEES**



# CITY OF RENO

## SCHEDULE OF BUSINESS LICENSE FEES

### FOR THE YEAR ENDED JUNE 30, 2019

As required by Nevada Revised Statutes (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, 2019		\$	14,776,745
Business license revenue for the year ended June 30, 2018 (base year)		\$	13,886,556
Adjustment to base year			
Percentage change in Consumer Price Index			<u>3.10 %</u>
Total adjustment to base year			<u>430,483</u>
Adjusted business license revenue base for the year ended June 30, 2019			<u>14,317,039</u>
Amount over allowable maximum		\$	<u><u>459,706</u></u>

#### FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2019		\$	5,948,752
Business license revenue for the year ended June 30, 2018 (base year)		\$	13,108,910
Adjustment to base year			
Percentage change in local government population			0.99 %
Percentage change in Consumer Price Index			<u>3.10 %</u>
Total adjustment to base year			<u>4.09 %</u>
Adjusted business license revenue base for the year ended June 30, 2019			<u>536,154</u>
Amount under allowable maximum		\$	<u><u>(7,696,312)</u></u>



# **SINGLE AUDIT INFORMATION**



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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) *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, 2019. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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, 2019.

**Other Matters.** The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019 - 001. 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

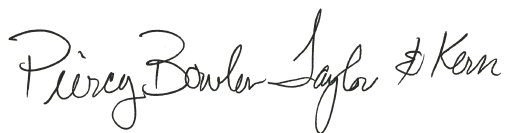
above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.** We have audited the financial statements of the 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 27, 2019, 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 the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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.



Reno, Nevada  
November 27, 2019

# CITY OF RENO

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-through Entity/Cluster or Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
State of Nevada, Department of Agriculture Senior Farmers Market Nutrition Program	10.576		\$	\$ 21,000
Total U.S. Department of Agriculture				21,000
U.S. Department of Housing and Urban Development				
Emergency Solutions Grant Program	14.231			190,509
Home Investment Partnerships Program	14.239			1,478,745
Continuum of Care Program	14.267			83,650
CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants	14.218*			2,020,729
Subtotal CDBG - Entitlement Grants Cluster				2,020,729
Nevada State Housing Division Emergency Solutions Grant Program	14.231			45,000
CDBG - Entitlement Grants Cluster City of Sparks Community Development Block Grants/Entitlement Grants	14.218*	B-18-COR		121,958
Subtotal CDBG - Entitlement Grants Cluster				121,958
Total U.S. Department of Housing and Urban Development				3,940,591
U.S. Department of the Interior				
State of Nevada Historic Preservation Office Historic Preservation Fund Grants-In-Aid	15.904	NV-18-10001 NV-18-10004		9,031 7,790
Total U.S. Department of the Interior				16,821
U.S. Department of Justice				
Drug Court Discretionary Grant Program	16.585			17,306
Edward Byrne Memorial Justice Assistance Grant Program	16.738		831 21,068 23,337	7,310 23,721 73,003 47,478
Harold Rogers Prescription Drug Monitoring Program	16.754			136,617 716
Equitable Sharing Program	16.922*			436,995
Nevada Department of Health and Human Services, Division of Child and Family Services Crime Victim Assistance	16.575	16575-16-033 16575-17-042		84,828 120,098
Center for Court Innovation Drug Court Discretionary Grant Program	16.585	FFY 19-42-2362		53,124

(Continued)

**CITY OF RENO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-through Entity/Cluster or Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Federal Expenditures
Nevada Office of the Attorney General				
Violence Against Women Formula Grants	16.588	2017-VAWA-03		9,337
National Sexual Assault Kit Initiative	16.833	2016-SAKI-09		16,249
Nevada Department of Public Safety, Office of Criminal Justice Assistance				
Special Data Collections and Statistical Studies	16.734	17-NCSX-04		173,679
Edward Byrne Memorial Justice Assistance Grant Program	16.738	17-JAG-25		19,015
		17-JAG-26		15,892
		17-JAG-27		31,500
		18-JAG-18		19,201
		18-JAG-19		32,000
Emergency Law Enforcement Assistance Grant	16.824	18-ELE-10ES		24,703
Total U.S. Department of Justice			<u>45,236</u>	<u>1,342,772</u>
U.S. Department of Transportation				
Highway Planning and Construction Cluster				
State of Nevada, State Parks				
Recreational Trails Program	20.219			44,496
Subtotal Highway Planning and Construction Cluster				<u>44,496</u>
Highway Safety Cluster				
Nevada Department of Public Safety, Office of Traffic Safety				
State and Community Highway Safety	20.600	TS-2018-RPD-00120		14,556
		JF-2018-RPD-00028		7,281
		JF-2019-RPD-00010		44,722
		TS-2019-RPD-00084		31,082
National Priority Safety Programs	20.616(d)	JF-2018-RPD-00028		14,021
		TS-2018-RPD-00122		30,468
		TS-2019-RPD-00010		13,805
Subtotal Highway Safety Cluster				<u>155,935</u>
Total U.S. Department of Transportation				<u>200,431</u>
National Endowment for the Arts				
Nevada Arts Council				
Promotion of the Arts Partnership Agreements	45.025	PDG19.4.105		234
Total National Endowment for the Arts				<u>234</u>
U.S. Department of Veterans Affairs				
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034			1,476
Nevada Department of Veterans Services				
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034	2019-ASG-55-RENO		750
Total U.S. Department of Veterans Affairs				<u>2,226</u>

(Continued)

# CITY OF RENO

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-through Entity/Cluster or Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Federal Expenditures
Environmental Protection Agency				
Nevada Division of Environmental Protection State Clean Diesel Grant Program	66.040*	DEP-S18-025 DEP-S18-039		143,376 63,517
Total Environmental Protection Agency				206,893
U.S. Department of Energy				
State of Nevada Governor's Office of Energy State Energy Program	81.041	0002-041917		3,955
Total U.S. Department of Energy				3,955
U.S. Department of Health and Human Services				
Join Together Northern Nevada Block Grants for Prevention and Treatment of Substance Abuse	93.959			4,014
Total U.S. Department of Health and Human Services				4,014
U.S. Department of Homeland Security				
Assistance to Firefighters Grant	97.044			103,655
The United Way Emergency Food and Shelter National Board Program	97.024	LRO-589600-023		46,820
State of Nevada Department of Public Safety, Division of Emergency Management Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	97.036.17-0011		45,195
Emergency Management Performance Grants Homeland Security Grant Program	97.042 97.067	97042.18 97067.16-3000		133,814 62,128
Total U.S. Department of Homeland Security				391,612
Total federal expenditures			\$ 45,236	\$ 6,130,549

\* A major program

# CITY OF RENO

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

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### Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Reno (the City) under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the City.

### Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

### Note 3. Indirect Cost Rate

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### Note 4. Outstanding Loan Balances

The federal loan programs listed below are administered directly by the City, and balances and transactions relating to these programs are included in the City's basic financial statements. Loans made during the year are included in the federal expenditures presented in the Schedule.

At June 30, 2019, outstanding loan balances were as follows:

<u>Federal CFDA Number</u>	<u>Program Title</u>	<u>Loan Balance Receivable</u>
14.239	Home Investment Partnerships Program	\$ 38,901,176
		<u>\$ 38,901,176</u>

# CITY OF RENO

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2019

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### 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	None reported
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	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Audit findings required to be reported in accordance with 2 CFR 200.516(a)	Yes
Identification of major programs	
CFDA number	14.218
Name of federal program or cluster	Community Development Block Grants/Entitlement Grants
CFDA number	16.922
Name of federal program or cluster	Equitable Sharing Program
CFDA number	66.040
Name of federal program or cluster	State Clean Diesel Grant Program
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee	No

(Continued)

**CITY OF RENO**

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

**FOR THE YEAR ENDED JUNE 30, 2019**

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**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***

None reported

(Continued)

# CITY OF RENO

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### Section III – Findings and questioned costs for federal awards, including audit findings required by 2 CFR 200.516(a)

2019 - 001	
Federal program	Community Development Block Grants/Entitlement Grants (CFDA #14.218)
Criteria or specific requirement	Periodic comparison of reports to supporting records. Financial reports are to be complete, accurate, and prepared in accordance with the required accounting basis. Amounts reported should trace to the accounting records that support the audited financial statements and the Schedule of Expenditures of Federal Awards.
Condition and context	Per examination of the fiscal 2019 quarterly federal financial reports (FFRs), it was noted that the amount per the reports did not reconcile to the amount reported in the Department of Housing and Urban Development's (HUD) Integrated Disbursement and Information System (IDIS), the Accumulated Transaction Listing (general ledger) or the Schedule of Expenditures of Federal Awards (SEFA). Specifically, the FFRs are \$82,175.16 more than the expenditure amount in IDIS. The error is the result of the Management Analyst including \$81,154.36 of expenditures on both the 3rd and 4th quarter reports because HUD changed the accounting basis for reporting from the accrual basis to the cash basis in the fourth quarter. The balance of the error, \$1,020.80, was due to including expenditures on the FFR that were paid with program income. In addition, the FFRs did not reconcile to the general ledger or SEFA by \$48,533.34 and \$48,941.68 respectively. The City was unable to provide an explanation for the variances.
A statistically valid sample was used	No
Questioned costs	N/A
Effect	The City is not in compliance with the requirements of financial reporting for federal funds and therefore there is no assurance that amounts reported are complete and accurate.
Cause	The City continues to experienced high turnover in the Community Development Department and those hired to fill the open positions did not possess the required knowledge and skills necessary to ensure compliance with the program.
Repeat finding, prior audit finding number	Yes, 2018-001
Recommendation	We recommend that the FFRs be reconciled to IDIS and the general ledger quarterly prior to filing the reports with HUD and that the reconciliation be documented and maintained. In addition, at year end, the quarterly reports should be reconciled to the amount of expenditures reported on the SEFA, documented and maintained. We also recommend that an additional Management Assistant be hired to ensure that there is an adequate number of individuals trained in grant compliance.
Management's response	Management informed us that the Management Assistant and Finance Department staff will work more closely in reconciling the FFRs to the general ledger and IDIS, especially in light of the new requirement that the FFRs be reported on the cash basis. Finance Department staff will also work with the Management Assistant on creating a reconciliation workpaper to be retained with the FFRs. The City Council did not budget for an additional Management Assistant in the fiscal year 2020 City budget.

# CITY OF RENO

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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### Section III – Findings and questioned costs for federal awards, including audit findings required by 2 CFR 200.516(a) (continued)

2019 - 002	
Federal program	Disaster Grants - Public Assistance (Presidentially Declared Disasters) (CFDA #97.036)
Criteria or specific requirement	<b>NDEM Grant Management Guide</b>  <b>GRANT REPORTING/REQUESTING REIMBURSEMENT</b>  Quarterly financial reporting is required for all Nevada Department of Emergency Management (NDEM) grants following the end of each quarter, whether or not funds have been expended. Quarterly Financial Reports (QFR) are due to NDEM no later than 30 days from the end of each quarter. Unless you have previously received an extension and then the report is due no later than 15 days after your extension unless the extension states sooner. Final Report – Report due 30 days following the end of the performance period of the sub-grant unless the sub-grantee has an extension and then all reports are due within 15 days.  Quarterly Progress Reports (QPR)/Work Plans (WP) are due to the NDEM with and at the same time as the QFR.
Condition and context	The City received approval for all requested extensions however NDEM continued to note that there were incorrect amounts being include on some of the QFRs submitted during the year.
A statistically valid sample was used	No
Questioned costs	N/A
Effect	The City's reporting continues to include errors which have been identified by NDEM.
Cause	There are 22 separate awards requiring reporting and only one Senior Management Analyst to oversee them. Due to the number of awards, various budget change requests and requests for extensions the Senior Management Analyst did not always account for the expenditures based on the updated budgets.
Repeat finding, prior audit finding number	Yes, 2018-002
Recommendation	We reommend that amounts requested be reconciled to the budget available at the time of the request.
Management's response	Management informed us that the City is working closely with their NDEM representative to correct the reporting issues. Only one project remains open under the grant. The Senior Management Analyst who compiles the reports has attended the training held by the NDEM related to project reporting. The City's Finance Department staff will also assist the Senior Management Analyst in reviewing the report prior to submission.

**CITY OF RENO**

**SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2018**

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**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***

None reported

(Continued)

# CITY OF RENO

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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### Section III – Findings and questioned costs for federal awards, including audit findings required by 2 CFR 200.516(a)

2018 - 001

Federal program	Community Development Block Grants/Entitlement Grants (CFDA #14.218)
Criteria or specific requirement	Periodic comparison of reports to supporting records. Financial reports are to be complete, accurate, and prepared in accordance with the required accounting basis. Amounts reported should trace to the accounting records that support the audited financial statements and the Schedule of Expenditures of Federal Awards.
Condition and context	Per examination of the fiscal 2018 quarterly federal financial reports (FFRs), it was noted that the amount per the reports did not reconcile to the amount reported in the Department of Housing and Urban Development's (HUD) Integrated Disbursement and Information System (IDIS), the Accumulated Transaction Listing (general ledger) or the Schedule of Expenditures of Federal Awards (SEFA). Specifically, the FFRs did not reconcile to IDIS due to the omission of \$49,004.76 of fiscal 2017 and fiscal 2018 expenditures from the FFRs. The City of Reno (the City) was unable to provide evidence that the fiscal 2017 amount of \$48,915.47 was included in a prior year FFR and simply omitted the fiscal 2018 amount of \$89.29 from the reports. In addition, the FFRs included \$71,027.95 more than the general ledger and \$71,281.84 more than the SEFA. The City was unable to provide an explanation for the variances.
Current status	Uncorrected
Reasons for this finding's recurrence	The City continues to experience high turnover in the Community Development Department and those hired to fill the open positions did not possess the required knowledge and skills necessary to ensure compliance with the program. In addition, HUD changed the accounting basis for reporting from the accrual basis to the cash basis of accounting in the 4th quarter of fiscal 2019.
Planned corrective action	The new Management Assistant was hired in November of 2018 and has been attending offsite training programs, as well as web-based training, to increase her knowledge of the CDBG program and HUD requirements. The City Council did not budget for an additional Management Assistant in the fiscal year 2019 or 2020 City budgets. The new Management Assistant and Finance Department staff will work more closely in reconciling the FFRs to the general ledger, especially in light of the new requirement that the FFRs now be reported on the cash basis.

(Continued)

# CITY OF RENO

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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### Section III – Findings and questioned costs for federal awards, including audit findings required by 2 CFR 200.516(a) (continued)

2018 - 002

Federal program

Disaster Grants - Public Assistance (Presidentially Declared Disasters) (CFDA #97.036)

Criteria or specific requirement

**§200.77 Period of performance.**

Period of performance means the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award. The Federal awarding agency or pass-through entity must include start and end dates of the period of performance in the Federal award.

#### **NDEM Grant Management Guide**

##### **GRANT REPORTING/REQUESTING REIMBURSEMENT**

Quarterly financial reporting is required for all Nevada Department of Emergency Management (NDEM) grants following the end of each quarter, whether or not funds have been expended. Quarterly Financial Reports are due to NDEM no later than 30 days from the end of each quarter. Unless you have previously received an extension and then the report is due no later than 15 days after your extension unless the extension states sooner. Final Report – Report due 30 days following the end of the performance period of the sub-grant unless the sub-grantee has an extension and then all reports are due within 15 days.

Quarterly Progress Reports (QPR)/Work Plans (WP) are due to the NDEM with and at the same time as the QFR.

##### **GRANT EXTENSIONS**

Grants extension requests will be reviewed on an individual basis and determined by the grant or disaster program manager. The authority to expend funds on a grant award will only be approved within the performance period of the grant document. If a sub-grantee does not request an extension of funds in advance and funds are expended, this may result in non-reimbursable expenditures. If an extension has been received on the grant funds all reports must be received by 15 days after the close of the grant extension period.

Condition and context

Per examination of 43 disbursements, it was noted that four disbursements were outside of the period of performance specified in the award document. Per discussion with the Senior Management Analyst on October 10, 2018, we were informed that extensions for the period of performance were filed with NDEM; however, they have not received approval of such. Since the costs met those approved on the Project Worksheet (PW), the City included them on the SEFA. In total, \$475,431 of costs outside the period of performance was included on the SEFA.

We were also informed that in April 2018, NDEM had emailed the City stating that there were reporting issues with reports sent to date. As a result, NDEM and the City agreed to not submit any more reports, including requests for extensions, until a training could be held to rectify all the noted issues. A meeting was held on June 21, 2018, to discuss the issues and a training was held in July 2018. Extensions were submitted in August 2018 along with the required reports; however, the extensions had not yet been approved as of October 12, 2018. Per correspondence with NDEM, we were informed that the costs are considered allowable as long as they were on the approved PW however they did not state whether the extensions would be approved or whether they consider the reports to be submitted timely.

Current status

Partially corrected.

Reasons for this finding's recurrence

The City's reporting continues to include errors which have been identified by NDEM.

Partial corrective action taken

The City is working closely with their NDEM representative to correct the reporting issues. The Senior Management Analyst responsible for completing the reports attended training held by NDEM related to project reporting.

(Continued)

# CITY OF RENO

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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Planned corrective action

The Senior Management Analysis will continue to work with NDEM to correct all reporting issues, including rounding errors. Finance Department staff will also offer assistance in reviewing the report the reports prior to their submission.