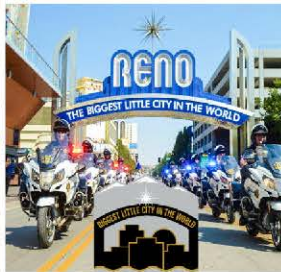


CITY OF RENO, NEVADA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2020





**CITY OF RENO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2020**

**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, 2020**

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# **INTRODUCTORY SECTION**





February 16, 2021

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, 2020 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 BDO USA, LLP. 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, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Reno's financial statements for fiscal year ended June 30, 2020, 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, dispatch, 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 complies 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 1<sup>st</sup>.

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 that 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 re-appropriated 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 logistics, 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. More recently, the economic structure of the region has been expanding and diversifying to include more technology based industries.

Employment in Reno and Washoe County has been impacted by the global COVID-19 pandemic. In the Reno Sparks region, September’s unemployment count stood at 6.7%, which has increased significantly due to the pandemic from the September 2019 rate of 2.9%. Overall, Nevada had an unemployment rate of 12.5%, exceeding the national average by 4.6% in September 2020 and is the second highest unemployment rate in the nation at this time. This is mainly due to the large gaming and tourism industries that support Nevada. While the state unemployment rate is 12.5%, unemployment in Reno has fared better at 6.7% or almost half the state average, which is due to the diversified economy that Reno has been able to develop over the years.

The median price of residential properties sold in Reno, NV increased during 2020. City of Reno home values have gone up 11.4% over the past year, with the September 2020 median home value at \$440,000. Home sales for the month of September 2020 set an all-time high at 678 homes sold and were up 17.1% from the same time last year. Reno continues to see great progress in the housing market even during the pandemic. This is mainly due to the relocation and expansion of technology based businesses to the area.

In fiscal year 2019/20, property taxes increased 9.1% and for fiscal year 2020/21, the City budgeted for property taxes to increase 5.5%. 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 2020/21, the projected increase was estimated to be 3% from existing properties and the remaining 2.5% from growth. Prior to the COVID-19 pandemic, the Washoe County Assessor anticipated property taxes would continue to rise, though at a modest pace. The impact of the pandemic on future property taxes is unknown at this time. The City continues to see housing increases with record sales and the median housing price continues to increase as well even through the pandemic. The City expects that much of the residential housing growth will offset expected declines in commercial property taxes due to the pandemic.

The City continues to have steady increases in consolidated tax (CTAX) each year and even with the pandemic. Fiscal years 2010/11 through 2019/20 reflect those increases, from 1.20% in FY 2010/11 to 4.7% in FY 2019/20. For FY 2020/21, the City budgeted a 4.0% increase over the prior fiscal year receipts and as of September 2020 CTAX receipts are on budget for FY 2020/21.

The State of Nevada, Washoe County and City of Reno continue to focus efforts in diversifying the economy. Calendar Year 2020 slowed the trend of robust economic development within the Truckee Meadows region due to the global pandemic.

The Economic Development Association of Western Nevada (EDAWN) reports that Reno is ranked number 1 in the top 50 Small Cities to live in the United States. This is due to the natural beauty of the surrounding areas as well as the pro-business attitude of the area's leaders. Increasingly, the technology companies and a highly educated workforce are driving Reno's popularity with companies like Tesla, Amazon, and Google. Other factors that increase the appeal of Reno are the thriving restaurants and special events. 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 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.

The COVID-19 pandemic has forced sweeping changes to how residents work, shop, live, and gather. The pandemic response produced a forced closure of many businesses and the cancellation of all of the special events that would normally bring in significant revenues to the City. City management has taken a very aggressive stance on controlling expenses given the uncertainty regarding future revenues. The City has been managing its employee growth and for FY 2020/21, did not authorize any new full-time positions with the adoption of the annual budget in May. Restructuring to promote efficiencies in operations and service delivery 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**

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 that 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 response to the anticipated declines in revenues from the economic fallout of the COVID-19 pandemic, staff developed a strategic plan for targeted reductions to the budget to better align spending with anticipated revenues. The plan was

developed with guiding principles for reviewing proposed reductions and determining which reductions should be included in the plan. Staff continues to monitor revenues and update projections as additional data becomes available. Although the revenue decline has not been as steep as originally projected, the future is still quite uncertain. The influx of federal stimulus funds along with the partial reopening of the economy has bolstered revenues. Because of the outside stimulus funds, the full impact is not predictable. The cushioning effect of stimulus money is not anticipated to have the same mitigating effect throughout the balance of the year. In addition to the measures mentioned above, staff has developed a ten-year financial forecast to better project future resource needs, identify areas of concern and adjust operating programs to meet available resources.

Furthermore, the City continues 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, EDARN, 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.

Additionally, 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 2019-20 adopted budget. The City is in compliance with this requirement and has budgeted for an ending fund balance of 12% for fiscal year 2020/21. 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 2019/20 is approximately \$3.1 million. The goal is to reach \$19 million, the legal maximum, 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 for \$1,000,000 for fiscal year 2020/21 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 the City's higher than desired 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 been funding program through the allocation of a portion of excess property taxes to the OPEB trust. For the year ended June 30, 2020, the City transferred \$1,533,949 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 hired a Risk Manager to further implement recommendations and pursue a more rigorous program to mitigate and manage risks for the City organization.

### **Major Initiatives**

Each year, the Reno City Council revisits Reno's purpose, vision and mission; from that, Council identifies priorities that 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.

For the first half of fiscal year 2019-20, most efforts were focused on addressing the challenges of the unfunded liabilities, the 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 by restructuring bonds when fiscally prudent.

The second half of fiscal year 2019/20, was focused on the extreme fallout from the COVID19 global pandemic. The pandemic brought a health crisis as well as a significant financial impact to the region. The City has partnered with other regional agencies to provide the resources necessary to support the community needs during this unprecedented time. The City received \$46.7M in federal assistance stimulus funds through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The majority of these funds were put back into the community to support social distancing requirements, residential eviction relief programs, business impact relief programs, food distribution, COVID-related mental health response, COVID tracing, COVID-related communications, socially distanced programming, and remote education relief. Funds were also used to reimburse the City for COVID-related expenses, the City's share of the Regional Emergency Operations Center (EOC), and enhance the City's ability to operate safely, work remotely, and maintain services throughout the pandemic.

The City along with its regional partners, Washoe County and the City of Sparks, has taken on a major initiative to create the Nevada Cares Campus on East 4th Street. The campus will be a central location for temporary housing for the unsheltered population. It will include 46,000 new square feet of housing at an estimated cost of \$17 million. This large project is scheduled to be completed in the spring of 2021 and the regional partners will share ongoing operations costs.

### **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, 2019.

This was the 37th 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 BDO USA, LLP. 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, 2019

*Christopher P. Morrill*

Executive Director/CEO

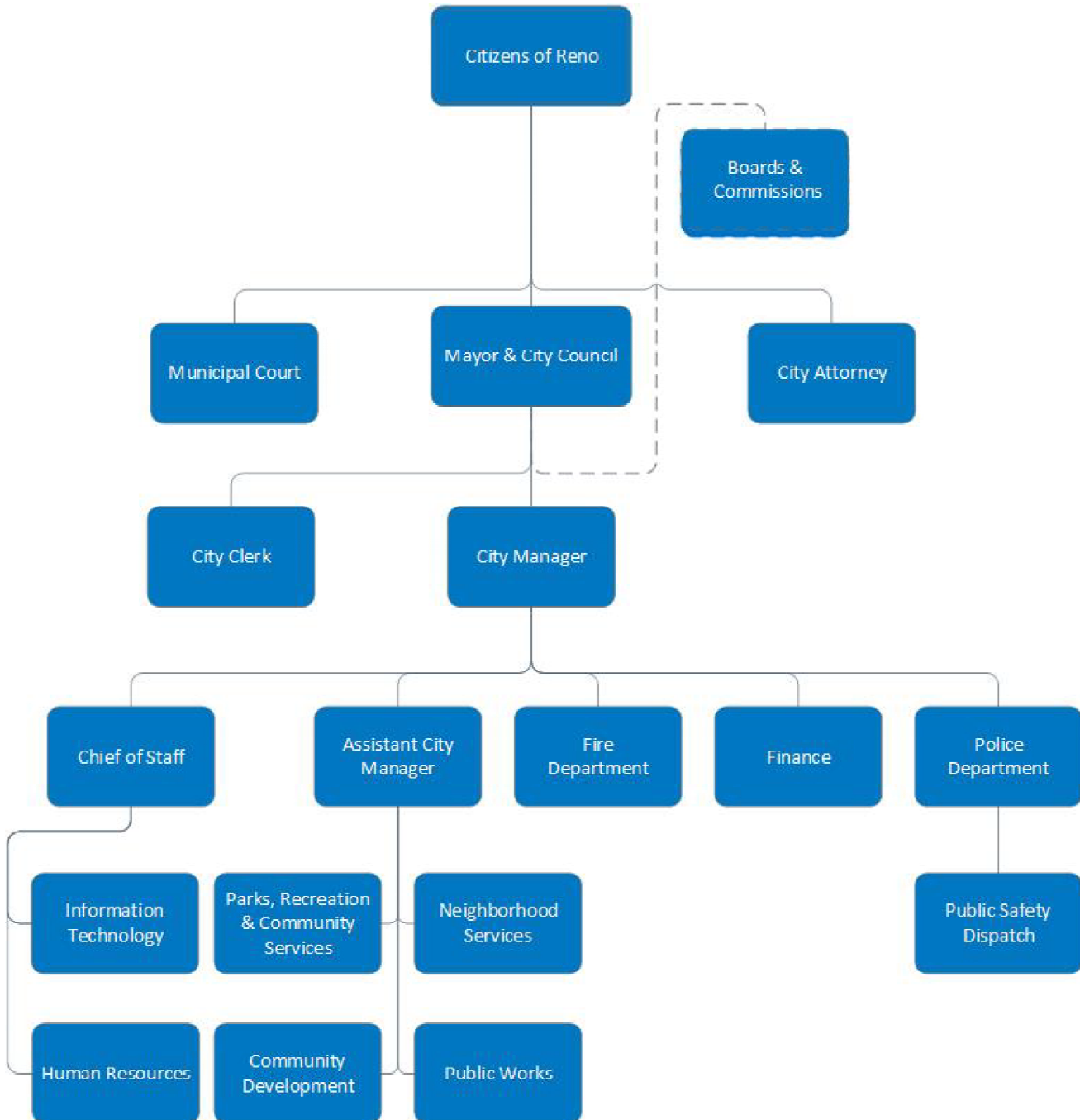


# CITY OF RENO

## ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2020

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# CITY OF RENO

## CITY OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2020

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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

### 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 MANAGEMENT

(Appointed by the City Council)

Jason Soto, Acting City Manager  
Ashley Turney, City Clerk

(Appointed by the City Manager)

Arlo Stockham, Acting Assistant City Manager  
Dylan Shaver, Chief of Staff  
Angela Fuss, Acting Community Development Director  
Deborah Lauchner, Finance Director  
David Cochran, Fire Chief  
Mark Gregersen, Human Resources Director  
Rishma Khimji, Information Technology Director  
Rebecca Venis, Neighborhood Services Director  
Thomas Robinson, Acting Police Chief  
John Flansberg, Public Works Director  
Jaime Schroeder, Parks and Recreation Director

(Appointed by Judges)

Steve Tuttle, Municipal Court Administrator

# **FINANCIAL SECTION**





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Fax: 775-567-6075  
[www.bdo.com](http://www.bdo.com)

200 S. Virginia St, #655  
Reno, NV 89501

## **Independent Auditor's Report**

Members of the City Council  
Reno, Nevada

### **Report on the Financial Statements**

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 City of Reno, Nevada (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements.***

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

#### ***Auditor's Responsibility***

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

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

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

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, 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.

## ***Emphasis of Matter - COVID-19***

As discussed in Note 4 to the basic financial statements, the City may be adversely impacted by the outbreak of a novel strain of the coronavirus, known as COVID-19, which was declared a global pandemic by the World Health Organization in March 2020. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 29, the schedules required for the City's pension and other postemployment benefits plans on pages 105 through 111, the budgetary comparison information for the general and major special revenue funds on pages 113 through 117, and the notes to the required supplementary information on pages 118 through 119 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 opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, 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 combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 combining and individual

fund financial statements and schedules are 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 February 22, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BDO USA, LLP

February 22, 2021





# **MANAGEMENT'S DISCUSSION AND ANALYSIS**



# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2020

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			
	2020	2019	Change	
Cash, cash equivalents and investments, unrestricted and restricted	\$ 352,295,245	\$ 293,957,413	\$ 58,337,832	19.85 %
Joint venture in Truckee Meadows Water Reclamation Facility	89,916,441	91,275,986	(1,359,545)	(1.49)%
Capital assets, net	1,333,161,985	1,284,749,803	48,412,182	3.77 %
Derivative instruments				%
Bonds and notes payable, net of unamortized premiums and discounts	491,519,704	502,042,845	(10,523,141)	(2.10)%
Net pension liability	249,852,734	246,999,277	2,853,457	1.16 %
Total net position	778,755,046	661,684,997	117,070,049	17.69 %

The increase experienced in the City's net position is largely attributable to an increase in capital assets, net of depreciation, an increase in due from other governments related to a \$20.4 million accrual of CARES Act funds distributed to the City by the State of Nevada, and higher cash balances as a result of cost-containment measures in the last two months of the fiscal year and an increase in interest earnings on those higher cash balances.

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

Capital assets, net of depreciation increased primarily due to dedicated streets, sewer lines and storm drains, as well as new construction in progress related to infrastructure.

The City issued one new bond – the \$6.3 million 2019 Medium-term Fire Apparatus Replacement Bonds that will fund a portion of the City's Fire Apparatus Replacement Program, and authorized a \$55M 2020 G.O. (Additionally Secured by Pledged Revenues) Sewer Bond. The latter is tied to the \$55 million 2020 State Clean Water Revolving Loan Fund loan contract that allows the City draw down funds from the State of Nevada to expand of the Reno-Stead Wastewater Reclamation Facility in the growing North Valleys. Once the project is complete, all of the funds are drawn, or three years have elapsed, whichever comes first, the loan contract will in effect convert to the 2020 bonds. As of fiscal year end 2019/20, only \$2.6 million has been drawn. Despite the two new debt issuances, total bonds and notes payable declined as scheduled principal reductions exceeded proceeds bond proceeds.

The City made two changes related to the January 1, 2020 actuarial valuation for other post-employment benefits other than pensions (OPEB) for the fiscal year ending June 30, 2020. The first change relates to a reduction in the discount rate given current economic conditions and uncertainty about the City's ability to sustain future OPEB funding at recent prior levels. The second change relates to modifying medical premium rates for each plan so that the same monthly rates apply for all members (actives, pre-Medicare retirees, and Medicare-covered retirees), thereby eliminating the implicit subsidy liability for Medicare retirees. The combined effect of these two changes was a \$62.2 million decrease in the OPEB liability, which when combined with other components, reduced the total OPEB liability by \$57.8 million. However, deferred inflows related to OPEB rose by \$56.6 million while deferred outflows rose by \$2.6 million, so the net impact on the Statement of Net Position was a \$3.8 increase.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

The net pension liability increased slightly at 1.16%. Deferred outflows of resources related to pensions rose 5.22%, while deferred inflows rose 13.93%, primarily due to differences between projected and actual investment earnings on pension plan investments. In accordance with generally accepted accounting principles, 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.

### Summary of Selected Statement of Activities Information

	Total Primary Government			
	2020	2019	Change	
Charges for services	\$ 161,650,132	\$ 171,591,667	\$ (9,941,535)	(5.79)%
Property taxes	77,331,482	70,869,469	6,462,013	9.12 %
Total expenses	365,774,923	368,869,119	(3,094,196)	(0.84)%
Change in net position	112,868,083	73,263,982	39,604,101	54.06 %

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. Charges for service declined significantly for City gaming licenses, liquor licenses, culture and recreation programs, and parking receipts, reflecting the effect of the shutdown of businesses and State and local government offices by order of Governor Sisolak beginning March 17 and remaining into June.

Expenses declined due in part to strict spending controls implemented in the last quarter of fiscal year 2019/20 despite cost increases for supplies and services related to implementing COVID-19 pandemic mitigation measures.

### 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.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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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.

#### 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 24 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 three (3) funds because they qualify as major funds under the GASB 34 definition: General Fund, Street Special Revenue Fund, and the Cabela's 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. The accounting used for fiduciary funds is much like that used for proprietary funds.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

### 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.

### 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	
	2020	2019	2020	2019	2020	2019
Assets						
Current, restricted and other	\$ 264,153,619	\$ 217,812,666	\$ 260,353,583	\$ 232,310,157	\$ 524,507,202	\$ 450,122,823
Capital	945,873,407	914,649,987	387,288,578	370,099,816	1,333,161,985	1,284,749,803
Total assets	<u>1,210,027,026</u>	<u>1,132,462,653</u>	<u>647,642,161</u>	<u>602,409,973</u>	<u>1,857,669,187</u>	<u>1,734,872,626</u>
Deferred outflows of resources	<u>66,924,423</u>	<u>63,342,283</u>	<u>4,128,681</u>	<u>3,688,094</u>	<u>71,053,104</u>	<u>67,030,377</u>
Liabilities						
Current	24,593,251	21,876,429	16,645,163	11,619,274	41,238,414	33,495,703
Long-term	952,193,506	1,006,390,207	71,144,434	75,018,270	1,023,337,940	1,081,408,477
Total liabilities	<u>976,786,757</u>	<u>1,028,266,636</u>	<u>87,789,597</u>	<u>86,637,544</u>	<u>1,064,576,354</u>	<u>1,114,904,180</u>
Deferred inflows of resources	<u>78,545,445</u>	<u>23,412,731</u>	<u>6,845,446</u>	<u>1,901,095</u>	<u>85,390,891</u>	<u>25,313,826</u>
Net position						
Net investment in capital assets	564,788,939	517,184,024	342,507,956	322,228,682	907,296,895	839,412,706
Restricted	81,364,743	85,416,143	32,962,201	20,477,340	114,326,944	105,893,483
Unrestricted	(424,534,435)	(458,474,598)	181,665,642	174,853,406	(242,868,793)	(283,621,192)
Total net position	<u>\$ 221,619,247</u>	<u>\$ 144,125,569</u>	<u>\$ 557,135,799</u>	<u>\$ 517,559,428</u>	<u>\$ 778,755,046</u>	<u>\$ 661,684,997</u>

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

### Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	Change		Change		Change	
<b>Assets</b>						
Current, restricted and other	\$ 46,340,953	21.28 %	\$ 28,043,426	12.07 %	\$ 74,384,379	16.53 %
Capital	31,223,420	3.41 %	17,188,762	4.64 %	48,412,182	3.77 %
Total assets	<u>77,564,373</u>	<u>6.85 %</u>	<u>45,232,188</u>	<u>7.51 %</u>	<u>122,796,561</u>	<u>7.08 %</u>
Deferred outflows of resources	<u>3,582,140</u>	<u>5.66 %</u>	<u>440,587</u>	<u>11.95 %</u>	<u>4,022,727</u>	<u>6.00 %</u>
<b>Liabilities</b>						
Current	2,716,822	12.42 %	5,025,889	43.25 %	7,742,711	23.12 %
Long-term	(54,196,701)	(5.39)%	(3,873,836)	(5.16)%	(58,070,537)	(5.37)%
Total liabilities	<u>(51,479,879)</u>	<u>(5.01)%</u>	<u>1,152,053</u>	<u>1.33 %</u>	<u>(50,327,826)</u>	<u>(4.51)%</u>
Deferred inflows of resources	<u>55,132,714</u>	<u>235.48 %</u>	<u>4,944,351</u>	<u>260.08 %</u>	<u>60,077,065</u>	<u>237.33 %</u>
<b>Net position</b>						
Net investment in capital assets	47,604,915	9.20 %	20,279,274	6.29 %	67,884,189	8.09 %
Restricted	(4,051,400)	(4.74)%	12,484,861	60.97 %	8,433,461	7.96 %
Unrestricted	33,940,163	7.40 %	6,812,236	3.90 %	40,752,399	(14.37)%
Total net position	<u>\$ 77,493,678</u>	<u>53.77 %</u>	<u>\$ 39,576,371</u>	<u>7.65 %</u>	<u>\$ 117,070,049</u>	<u>17.69 %</u>

#### Governmental Activities

The increase experienced in the City's current assets relates to an increase in due from other governments related to a \$20.4 million accrual of CARES Act funds distributed to the City by the State of Nevada, higher cash balances as a result of cost-containment measures in the last two months of the fiscal year, and to higher interest earnings on those cash balances.

Investment in capital assets, net of depreciation increased primarily due to dedicated streets, as well as new construction in progress related to infrastructure and the acquisition of the former Reno Gazette-Journal building to be converted into the new Public Safety Center.

#### Business-type Activities

Total assets for the City's business-type activities increased by 7.51%. 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).

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

### 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	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 79,589,048	\$ 89,634,449	\$ 82,061,084	\$ 81,957,218	\$ 161,650,132	\$ 171,591,667
Operating grants and contributions	30,299,717	11,141,118	53,150	2,016,429	30,352,867	13,157,547
Capital grants and contributions	63,775,489	58,129,633	21,682,897	18,823,851	85,458,386	76,953,484
General revenues						
Property taxes	77,331,482	70,869,469			77,331,482	70,869,469
Room taxes	8,713,540	11,353,561			8,713,540	11,353,561
Sales taxes restricted for debt service	12,513,819	12,021,468			12,513,819	12,021,468
Other sales taxes	3,344,550	1,247,683			3,344,550	1,247,683
Intergovernmental shared revenues, unrestricted	77,500,861	74,268,996			77,500,861	74,268,996
Investment income	7,787,304	5,797,725	5,627,143	3,676,463	13,414,447	9,474,188
Gain on disposal of capital assets	1,285	96,342			1,285	96,342
Miscellaneous	8,350,854	1,060,643	10,783	38,053	8,361,637	1,098,696
<b>Total revenues</b>	<b>369,207,949</b>	<b>335,621,087</b>	<b>109,435,057</b>	<b>106,512,014</b>	<b>478,643,006</b>	<b>442,133,101</b>
<b>Expenses</b>						
General government	45,217,904	43,077,447			45,217,904	43,077,447
Judicial	8,143,954	7,719,808			8,143,954	7,719,808
Public safety	130,320,615	135,931,879			130,320,615	135,931,879
Public works	53,686,101	52,539,862			53,686,101	52,539,862
Culture and recreation	16,725,753	16,968,478			16,725,753	16,968,478
Planning and community development	13,671,197	12,844,761			13,671,197	12,844,761
Urban development	6,689,551	5,188,558			6,689,551	5,188,558
Interest expense and fiscal charges	21,828,993	31,462,922			21,828,993	31,462,922
Sanitary sewer			59,110,441	55,576,663	59,110,441	55,576,663
Building permit			10,380,414	7,558,741	10,380,414	7,558,741
<b>Total expenses</b>	<b>296,284,068</b>	<b>305,733,715</b>	<b>69,490,855</b>	<b>63,135,404</b>	<b>365,774,923</b>	<b>368,869,119</b>
Change in net position before transfers	72,923,881	29,887,372	39,944,202	43,376,610	112,868,083	73,263,982
Transfers	367,831	214,932	(367,831)	(214,932)		
Change in net position	73,291,712	30,102,304	39,576,371	43,161,678	112,868,083	73,263,982
Net position, beginning of year, as adjusted	148,327,535	118,225,231	517,559,428	474,397,750	665,886,963	592,622,981
<b>Net position, end of year</b>	<b>\$ 221,619,247</b>	<b>\$ 148,327,535</b>	<b>\$ 557,135,799</b>	<b>\$ 517,559,428</b>	<b>\$ 778,755,046</b>	<b>\$ 665,886,963</b>

(Continued)



# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

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	\$ (10,045,401)	(11.21)%	\$ 103,866	0.13 %	\$ (9,941,535)	(5.79)%
Operating grants and contributions	19,158,599	171.96 %	(1,963,279)	(97.36)%	17,195,320	130.69 %
Capital grants and contributions	5,645,856	9.71 %	2,859,046	15.19 %	8,504,902	11.05 %
General revenues						
Property taxes	6,462,013	9.12 %			6,462,013	9.12 %
Room taxes	(2,640,021)	(23.25)%			(2,640,021)	(23.25)%
Sales taxes restricted for debt service	492,351	4.10 %			492,351	4.10 %
Other sales taxes	2,096,867	168.06 %			2,096,867	168.06 %
Intergovernmental shared revenues, unrestricted	3,231,865	4.35 %			3,231,865	4.35 %
Investment income	1,989,579	34.32 %	1,950,680	53.06 %	3,940,259	41.59 %
Gain on disposal of capital assets	(95,057)	(98.67)%			(95,057)	(98.67)%
Miscellaneous	7,290,211	687.34 %	(27,270)	(71.66)%	7,262,941	661.05 %
<b>Total revenues</b>	<b>33,586,862</b>	<b>10.01 %</b>	<b>2,923,043</b>	<b>2.74 %</b>	<b>36,509,905</b>	<b>8.26 %</b>
<b>Expenses</b>						
General government	2,140,457	4.97 %			2,140,457	4.97 %
Judicial	424,146	5.49 %			424,146	5.49 %
Public safety	(5,611,264)	(4.13)%			(5,611,264)	(4.13)%
Public works	1,146,239	2.18 %			1,146,239	2.18 %
Culture and recreation	(242,725)	(1.43)%			(242,725)	(1.43)%
Planning and community development	826,436	6.43 %			826,436	6.43 %
Urban development	1,500,993	28.93 %			1,500,993	28.93 %
Interest expense and fiscal charges	(9,633,929)	(30.62)%			(9,633,929)	(30.62)%
Sanitary sewer			3,533,778	6.36 %	3,533,778	6.36 %
Building permit			2,821,673	37.33 %	2,821,673	37.33 %
<b>Total expenses</b>	<b>(9,449,647)</b>	<b>(3.09)%</b>	<b>6,355,451</b>	<b>10.07 %</b>	<b>(3,094,196)</b>	<b>(0.84)%</b>
Change in net position before transfers	43,036,509	144.00 %	(3,432,408)	(7.91)%	39,604,101	54.06 %
Transfers	152,899	71.14 %	(152,899)	71.14 %		
Change in net position	43,189,408	143.48 %	(3,585,307)	(8.31)%	39,604,101	54.06 %
Net position, beginning of year, as adjusted	30,102,304	25.46 %	43,161,678	9.10 %	73,263,982	12.36 %
Net position, end of year	\$ 73,291,712	49.41 %	\$ 39,576,371	7.65 %	\$ 112,868,083	16.95 %

### Governmental Activities

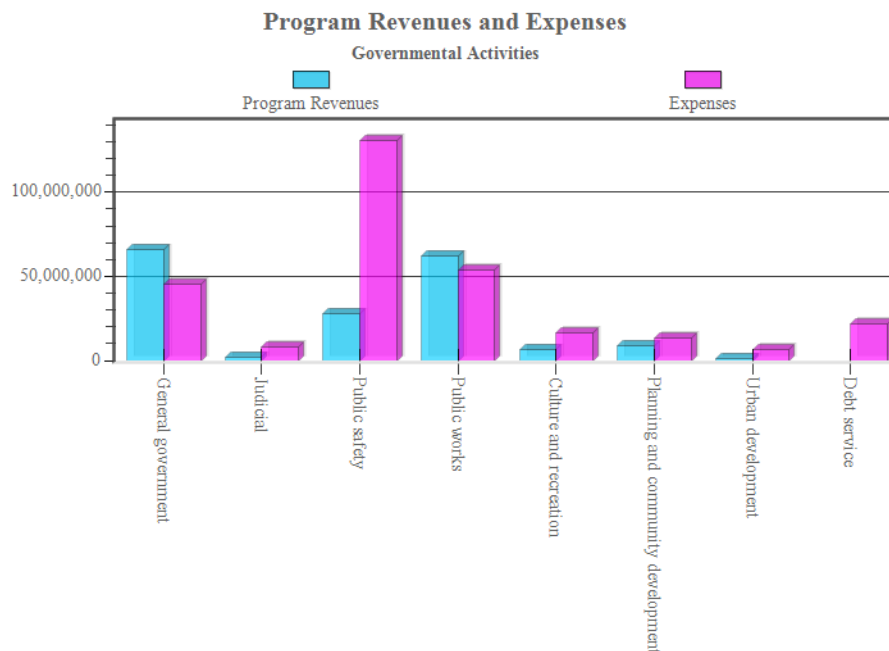
Program revenues are those revenues that are derived directly from the program itself or from parties outside of the City's taxpayers or citizenry. They reduce the net cost of the function to be financed from the City's general revenues which include property taxes and other taxes. The following chart 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, 2020



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 21.56%, followed closely by property taxes at 20.95% and intergovernmental consolidated tax revenues at 20.99%.

Charges for service declined by 11.21% compared to the prior fiscal year. Reductions in revenue for business licenses, recreational programs and facilities, and parking meter revenues were all pandemic related. Fire strike team receipts were also lower, but these revenues are difficult to predict.

The increase in operating grants and contributions primarily relates to the accrual of \$20.4 million of CARES Act to address pandemic containment and mitigation actions taken between mid-March and June.

The increase in capital grants and contributions is the result of the private grants awarded to the City for public safety facilities.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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The increase in unrestricted intergovernmental shares revenues is related to higher consolidated tax revenues that did not appear to be as negatively impacted by the pandemic as anticipated, perhaps partially due to stimulus payments distributed by the federal government. The increase in other sales tax revenues relates to a one-time adjustment made by the State of Nevada for the first full year of receipts for the Tessera Tourism Improvement District.

Interest earnings also saw a large increase, reflective of higher cash balances and the revised investment strategy implemented by the investment advisor hired in April of 2019 to better identify short-, intermediate-, and long-term cash needs and structure the investment portfolio accordingly.

All governmental functions received an increase in expenses related to higher risk premiums related to the City's self-insured risk retention plan and worker's compensation plan. All functions were also charged with higher pension allocation costs due to a change in the difference in projected vs. actual investment earnings on plan assets.

The change in public safety expenses also 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, overtime related to the May civil unrest event, and accrued leave payoffs at retirement in the Police Department. The Fire Department also experienced an increase in salaries and wages due to accrued leave payoffs at retirement. Overtime was slightly higher than the prior fiscal year, but is partially offset by strike team reimbursements received from other jurisdictions for those firefighters who assist with fire operations outside of the City.

The increase in public works expense also is the result of higher depreciation and the loss on the sale of property. In conjunction with RTC-dedicated street projects, the City assesses a 15% overhead cost charges 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. In fiscal year 2019/20, this reduction was not sufficient to offset the higher depreciate costs and the loss on the property sale.

The increase in judicial expense also is the cumulative result of salary increases and related benefits.

In addition to the reasons cited previously, the increase in planning and community expense was largely due to the moving the Office of Community and Community Engagement that was formerly reported under general government into Neighborhood Services that is reported under planning and community development.

The increase in urban redevelopment expenses is primarily due to the pass-through of sales tax increment received in the Tessera Tourism Improvement District to the business entitled to those funds.

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 Series 2005A Capital Improvement Refunding Bonds that occurred fiscal year 2018/19, resulting in the issuance of the 2019A-1 and 2019A-2 Capital Improvement Refunding Bonds.

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)

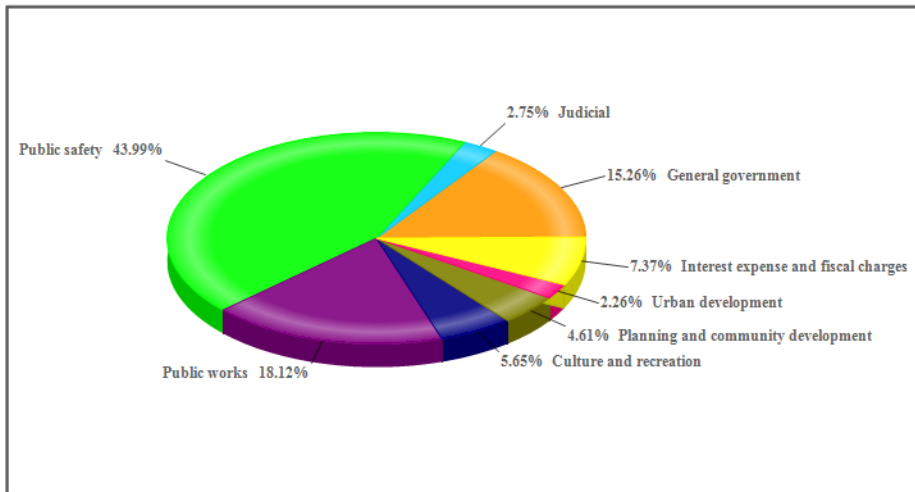
# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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**Expenses by Function**  
Governmental Activities



(Continued)

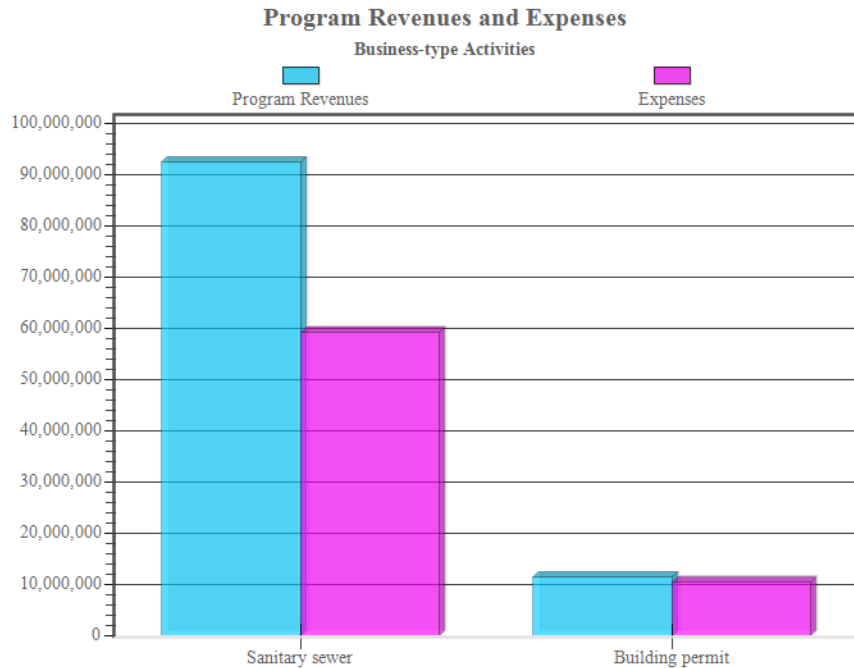
# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

### 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 residential and commercial construction is slightly lower than fiscal year 2018/19 levels based on permits issued, resulting in no growth in operating revenues for both the Sanitary Sewer Fund and the Building Permit Fund. Sewer connection revenue decreased by 8.84% compared to the prior fiscal year, but was higher than budget by 44.6%.

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 except for the planned Stead wastewater treatment plant expansion.

The building permit function experienced a 3.61% increase in building permit-related revenue and came in 0.82% below budget. Expenses also came in under budget, with savings in salaries and wages and services and supplies offsetting higher employee benefits, which were impacted negatively by the higher OPEB and pension expenses.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

### 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				
	2020	2019	Change	
General Fund	\$ 74,550,328	\$ 44,828,731	\$ 29,721,597	66.30 %
Streets Special Revenue Fund	36,361,434	29,636,192	6,725,242	22.69 %
Cabela's Debt Service Fund	855,635	996,164	(140,529)	(14.11)%
Non-major Governmental Funds	100,610,449	91,982,137	8,628,312	9.38 %
Total Liabilities - Governmental Funds				
	2020	2019	Change	
General Fund	\$ 13,350,492	\$ 11,574,695	\$ 1,775,797	15.34 %
Streets Special Revenue Fund	7,243,468	3,289,584	3,953,884	120.19 %
Cabela's Debt Service Fund	9,290,988	7,559,438	1,731,550	22.91 %
Non-major Governmental Funds	4,198,601	5,085,917	(887,316)	(17.45)%
Total Fund Balance - Governmental Funds				
	2020	2019	Change	
General Fund	\$ 59,793,269	\$ 32,520,450	\$ 27,272,819	83.86 %
Streets Special Revenue Fund	28,835,064	26,176,864	2,658,200	10.15 %
Cabela's Debt Service Fund	(8,435,353)	(6,563,274)	(1,872,079)	28.52 %
Non-major Governmental Funds	88,595,651	77,874,169	10,721,482	13.77 %
Total Revenues - Governmental Funds				
	2020	2019	Change	
General Fund	\$ 233,895,911	\$ 203,649,157	\$ 30,246,754	14.85 %
Streets Special Revenue Fund	29,894,044	28,301,611	1,592,433	5.63 %
Cabela's Debt Service Fund	1,321,521	1,313,501	8,020	0.61 %
Non-major Governmental Funds	49,758,111	47,729,893	2,028,218	4.25 %
Total Expenditures - Governmental Funds				
	2020	2019	Change	
General Fund	\$ 200,395,025	\$ 190,001,005	\$ 10,394,020	5.47 %
Streets Special Revenue Fund	27,289,061	19,383,406	7,905,655	40.79 %
Cabela's Debt Service Fund	3,193,600	3,100,513	93,087	3.00 %
Non-major Governmental Funds	58,043,944	133,593,241	(75,549,297)	(56.55)%

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

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Total Other Financing Sources (Uses) - Governmental Funds

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	2020	2019	Change	
General Fund	\$ (6,228,067)	\$ (12,419,670)	\$ 6,191,603	(49.85)%
Streets Special Revenue Fund	53,217	(6,429,586)	6,482,803	100.83 %
Non-major Governmental Funds	14,805,349	93,595,191	(78,789,842)	(84.18)%

Of the above fund balances, \$3.0 million is categorized as nonspendable, \$56.3 million as restricted, \$89.0 million as assigned, and \$20.5 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 \$28.9 million, an increase of 15.96% over the previous fiscal year. The higher unassigned fund balance is partly due to the strict spending controls implemented for the last quarter of the fiscal year for services and supplies other than those needed to respond to the pandemic. The City is also reporting that of the General fund's assigned fund balance (\$57.9 million), \$20.4 million is dedicated to combat the effect of the pandemic on future City operations and on the Reno community. 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 operating expenditures. As of June 30, 2020, this calculation yielded a 17.03% reserve after deducting the \$27.4 million of assigned fund balance.

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 in property tax revenue and interest earnings outpacing growth in capital outlay for street rehabilitation projects.

In fiscal 2020 management of the City decided to report and monitor the Cabela's Debt Service Fund separately from the consolidated Reno Debt Service Fund. The Cabela's Debt Service Fund is responsible for the payment of principal and interest on the outstanding 2007A and 2007B Sales Tax Increment (Cabelas) Bonds related to the construction of infrastructure assets installed as part of the construction of the Cabela's retail store. These bonds 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, resulting in a negative fund balance. Prior to fiscal year 2019/2020 this debt service fund was included as part of the City Debt Service Fund.

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, 2020**

### Proprietary Funds

Total Assets - Proprietary Funds				
	2020	2019	Change	
Sanitary Sewer Enterprise Fund	\$ 630,414,164	\$ 593,744,309	\$ 36,669,855	6.18 %
Building Permit Enterprise Fund	17,381,782	16,774,128	607,654	3.62 %
Internal Service Funds	62,749,984	51,833,348	10,916,636	21.06 %
Total Liabilities - Proprietary Funds				
	2020	2019	Change	
Sanitary Sewer Enterprise Fund	\$ 77,777,312	\$ 76,501,517	\$ 1,275,795	1.67 %
Building Permit Enterprise Fund	10,012,285	10,136,027	(123,742)	(1.22)%
Internal Service Funds	68,378,435	67,209,659	1,168,776	1.74 %
Total Net Position - Proprietary Funds				
	2020	2019	Change	
Sanitary Sewer Enterprise Fund	\$ 551,064,966	\$ 518,454,950	\$ 32,610,016	6.29 %
Building Permit Enterprise Fund	6,224,618	7,212,942	(988,324)	(13.70)%
Internal Service Funds	(5,924,231)	(15,253,062)	9,328,831	61.16 %
Total Operating Revenues - Proprietary Funds				
	2020	2019	Change	
Sanitary Sewer Enterprise Fund	\$ 70,618,161	\$ 70,437,687	\$ 180,474	0.26 %
Building Permit Enterprise Fund	11,453,706	11,557,584	(103,878)	(0.90)%
Internal Service Funds	55,628,814	47,676,825	7,951,989	16.68 %
Total Operating Expenses - Proprietary Funds				
	2020	2019	Change	
Sanitary Sewer Enterprise Fund	\$ 57,151,564	\$ 49,156,505	\$ 7,995,059	16.26 %
Building Permit Enterprise Fund	13,056,136	7,691,460	5,364,676	69.75 %
Internal Service Funds	48,719,086	45,537,178	3,181,908	6.99 %
Total Nonoperating Revenues (Expenses), Capital Contributions and Transfers - Proprietary Funds				
	2020	2019	Change	
Sanitary Sewer Enterprise Fund	\$ 19,143,419	\$ 17,432,487	\$ 1,710,932	9.81 %
Building Permit Enterprise Fund	614,106	382,208	231,898	60.67 %
Internal Service Funds	2,419,103	2,012,289	406,814	20.22 %

(Continued)



# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

### 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 \$177.4 million. Operating revenues were relatively unchanged from prior fiscal year level. Slightly higher charges for service due to a modest sewer rate increase were offset by lower late penalties on delinquent sewer accounts for two reasons: the City waived the late penalties that would have been assessed for the third and fourth quarters because of the pandemic, and numerous delinquent accounts were brought current when owners refinanced mortgages to take advantage of lower interest rates. Operating expenses increased 16.26%, with higher depreciation expense and OPEB and pension expenses being the primary causes. Also in fiscal year 2019/2020, the City "trued up" the \$5.4 million internal balances owed by the Sanitary Sewer Fund to the various internal services funds and to the General Fund related to prior fiscal years when the Communications and Technology Department was its own internal service fund.

The City contributed \$4.3 million to the Truckee Meadows Reclamation Facility for capital improvements, and its share of the joint venture's loss was \$5.7 million, which was made up primarily of depreciation expense.

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's revenues were close to fiscal year 2018/19 levels and lower than budget by 3.60%, which is consistent with a lower number of building permits being issued. Operating expenses saw a 69.75% increase due to higher OPEB and pension expenses, as well as to the \$2.7 million City "true up" of the internal balances owed by the Building Permit Fund to the various internal service funds and to the General Fund related to prior fiscal years when the Communications and Technology Department was its own internal service fund.

### Budgetary Highlights for General Fund

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

	Original Budget	Final Budget	Actual	Variance
Total Revenues	\$ 203,734,784	\$ 211,712,884	\$ 233,895,911	\$ 22,183,027
Total Expenditures	205,316,895	214,924,057	200,395,025	14,529,032
Total Fund Balance	20,603,686	23,080,488	59,793,269	36,712,781

The functions represent the legal level of budgetary control. Budgeted revenues increased primarily due to sales tax increment growth in the Tessera Tourism Improvement District, growth in grants and contributions, and reimbursements received from the proprietary funds for past years' technology charges whose costs were at one time accounted for in an internal service fund. Budgeted expenditures increased slightly in many functions for employee benefits related to higher worker's compensation premium allocations, with higher increases seen in the public safety function. Budgeted services and supplies also increased in most functions related to risk premium allocations. The budget for the general government function was increased also to address the Information and Technology Department's need for temporary employees, additional funds for IT-related maintenance contracts, and laptops and other resources to enable employees to work from home due to the pandemic. The public safety function specifically received budget increases related to overtime, payouts of leave balances upon retirement, vacation cash-outs, grant-funded services and supplies, and motor vehicle maintenance/replacement. The planning and community development function received increases for services and supplies related to the hiring of a consultant to update the City's Municipal Code related to zoning and historical resource designation. The other function's budget was increased for higher retired employees' insurance and payouts of twelve months of sales tax increment related to the Tessera Tourism Improvement District.

The City continues to monitor costs very closely and requires departmental justification of all program budgets.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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### **Capital Assets Activity**

At June 30, 2020, the City had total capital assets net of depreciation and amortization of \$1,333.2 million, net of accumulated depreciation and amortization of \$1,202.2 million. This represents a 3.77% increase when compared to the prior year.

Major capital investment activities for fiscal year included:

\$56.1 million increase in street infrastructure before depreciation, \$51.9 million of which was either contributed by developers or annexed;

\$17.7 million in new construction in progress, with completion of \$12.4 million of projects previously in construction in progress;

\$18.9 million in new construction in progress in sewer line and storm drain rehabilitation and lift station improvement/replacement projects, after completion of \$15.6 million in projects; and \$10.7 million in contributed sewer lines, storm drains, and other sewer improvements from developers.

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

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

Bonds and notes payable outstanding at June 30, 2020, totaled \$491.5 million, net of premiums and discounts, a 2.1% decrease when compared to the prior year. Debt for governmental activities represents 90.84% of total debt outstanding, with debt related to business type activities accounting for 9.169% of the total debt outstanding.

At June 30, 2020, the City had \$86.3 million of general obligation debt outstanding that is subject to the legal debt limit of \$1,401.4 million.

The City maintains an A1 rating from Moody's and an A+ rating from Standard and Poor's for its non-Sewer related general obligation bonds. The 2010 G.O (Secured by Additionally Pledged Revenues) Sewer Refunding Bonds have an S & P rating of A-.

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 2020/21, intergovernmental consolidated tax revenues have risen 8.4% over the first three months of fiscal year 2019/20. For June of 2020, statewide taxable sales were down 5.96% over June of 2019; whereas in Washoe County, taxable sales increased 13.16% for the same period.

In June of 2020 the unemployment rate in the Reno-Sparks MSA was 8.6%, which is significantly lower than the state unemployment rate of 15.2% and lower than the national rate of 11.2%. This rate is significantly lower than the all-time high of 20.4% experienced in April of 2020, which was the first full month after the pandemic shutdown was instituted on March 17 by Nevada Governor Sisolak. The Reno MSA unemployment is more than double the 3.4% for the same time period one year ago.

(Continued)

# CITY OF RENO

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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The annual job growth rate for the Reno metropolitan area between June 2020 and June 2019 was (7.5%), compared to the 6.0% growth rate between June 2019 and June 2018. This percentage reflects a job loss of 18,600 and confirms the impact of the pandemic related shutdown. However, between May and June, the number of jobs grew by 10,400 as the Governor allowed the partial reopening of various businesses.

In late January 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 pandemic). As discussed in Note 4 to the basic financial statements, the full impact of the COVID-19 pandemic continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity, and future results of operations.

### 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, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents and investments, unrestricted	\$ 197,082,159	\$ 121,050,746	\$ 318,132,905
Cash, cash equivalents and investments, restricted		34,162,340	34,162,340
Accounts receivable, net	7,135,020	9,556,479	16,691,499
Interest receivable	656,598	547,277	1,203,875
Taxes receivable	774,116		774,116
Special assessments receivable	9,190,184		9,190,184
Due from other governments	43,970,524	2,216,022	46,186,546
Notes receivable, net	908,158	2,701,342	3,609,500
Inventories	994,738	296,708	1,291,446
Prepaid items	2,247,128	60,013	2,307,141
Property held for resale	1,041,209		1,041,209
Joint venture in Truckee Meadows Water Reclamation Facility		89,916,441	89,916,441
Internal balances	153,785	(153,785)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	12,806,161	25,197,144	38,003,305
Land	148,683,614	11,334,930	160,018,544
Water rights	1,125,000	1,812,114	2,937,114
Buildings and building improvements	153,174,835	6,795,656	159,970,491
Improvements other than buildings	260,160,815	333,920,475	594,081,290
Infrastructure	341,149,048		341,149,048
Machinery, equipment and software	26,210,031	8,228,259	34,438,290
Art and historical treasures	2,563,903		2,563,903
<b>Total assets</b>	<b>1,210,027,026</b>	<b>647,642,161</b>	<b>1,857,669,187</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized deferred refunding charges	20,302,300	262,927	20,565,227
Deferred outflows related to pensions	43,565,275	3,787,372	47,352,647
Deferred outflows related to OPEB	3,056,848	78,382	3,135,230
<b>Total deferred outflows of resources</b>	<b>66,924,423</b>	<b>4,128,681</b>	<b>71,053,104</b>
<b>LIABILITIES</b>			
Accounts payable and other accrued expenses	6,693,879	1,278,347	7,972,226
Accounts payable from restricted assets		65,883	65,883
Accrued salaries and benefits	8,785,445	475,745	9,261,190
Contracts payable	7,576,261	4,128,458	11,704,719
Contracts payable from restricted assets		1,299,593	1,299,593
Due to other governments	463,142	3,080,767	3,543,909
Deposits	1,073,924	4,425,243	5,499,167
Unearned revenue	600	1,891,127	1,891,727
Long-term liabilities, due within one year			
Bonds and notes payable	18,106,560	5,889,370	23,995,930
Compensated absences	14,883,595	1,064,971	15,948,566
Self-insurance liability	10,356,871		10,356,871
Interest payable	5,174,559	499,012	5,673,571
Long-term liabilities, due in more than one year			
Bonds and notes payable, net of unamortized premiums and discounts	428,369,595	39,154,179	467,523,774
Compensated absences	9,096,673	344,342	9,441,015
Self-insurance liability	55,237,673		55,237,673
Net OPEB liability	164,097,690	4,175,047	168,272,737
Net pension liability	229,835,221	20,017,513	249,852,734
Interest payable	17,035,069		17,035,069
<b>Total liabilities</b>	<b>976,786,757</b>	<b>87,789,597</b>	<b>1,064,576,354</b>

(Continued)

See notes to basic financial statements.

# CITY OF RENO

## STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	26,493,546	2,299,769	28,793,315
Deferred inflows related to OPEB	52,051,899	4,545,677	56,597,576
Total deferred inflows of resources	78,545,445	6,845,446	85,390,891
NET POSITION			
Net investment in capital assets	564,788,939	342,507,956	907,296,895
Restricted for			
Debt service	42,440,685		42,440,685
Capital improvement projects	10,985,647	32,962,201	43,947,848
Fire, police and other public safety programs	895,177		895,177
Cultural, community and development programs	1,971,804		1,971,804
Self-insurance liabilities	21,985,746		21,985,746
Other government programs	3,085,684		3,085,684
Unrestricted	(424,534,435)	181,665,642	(242,868,793)
Total net position	\$ 221,619,247	\$ 557,135,799	\$ 778,755,046

See notes to basic financial statements.

# CITY OF RENO

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

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
			Capital Grants and Contributions	Contributions			
Governmental activities							
General government	\$ 45,217,904	\$ 65,034,552	\$ 824,080	\$	\$ 20,640,728	\$	\$ 20,640,728
Judicial	8,143,954	1,782,370	332,992		(6,028,592)		(6,028,592)
Public safety	130,320,615	3,860,244	22,414,387	1,583,568	(102,462,416)		(102,462,416)
Public works	53,686,101	3,037,327	91,484	58,764,238	8,206,948		8,206,948
Culture and recreation	16,725,753	3,615,373	147,033	2,494,088	(10,469,259)		(10,469,259)
Planning and community development	13,671,197	1,437,017	6,361,717	933,595	(4,938,868)		(4,938,868)
Urban development	6,689,551	822,165	128,024		(5,739,362)		(5,739,362)
Debt service							
Interest expense and fiscal charges	<u>21,828,993</u>				<u>(21,828,993)</u>		<u>(21,828,993)</u>
Total governmental activities	<u>296,284,068</u>	<u>79,589,048</u>	<u>30,299,717</u>	<u>63,775,489</u>	<u>(122,619,814)</u>		<u>(122,619,814)</u>
Business-type activities							
Sanitary sewer	59,110,441	70,607,378	53,150	21,682,897		33,232,984	33,232,984
Building permit	<u>10,380,414</u>	<u>11,453,706</u>				<u>1,073,292</u>	<u>1,073,292</u>
Total business-type activities	<u>69,490,855</u>	<u>82,061,084</u>	<u>53,150</u>	<u>21,682,897</u>		<u>34,306,276</u>	<u>34,306,276</u>
Total primary government	<u>\$ 365,774,923</u>	<u>\$ 161,650,132</u>	<u>\$ 30,352,867</u>	<u>\$ 85,458,386</u>	<u>\$ (122,619,814)</u>	<u>34,306,276</u>	<u>(88,313,538)</u>
GENERAL REVENUES							
Property taxes					77,331,482		77,331,482
Room taxes					8,713,540		8,713,540
Sales taxes restricted for debt service					12,513,819		12,513,819
Other sales taxes					3,344,550		3,344,550
Intergovernmental shared revenues, unrestricted					77,500,861		77,500,861
Investment income					7,787,304	5,627,143	13,414,447
Gain on disposal of capital assets					1,285		1,285
Miscellaneous					<u>8,350,854</u>	<u>10,783</u>	<u>8,361,637</u>
Total general revenues					<u>195,543,695</u>	<u>5,637,926</u>	<u>201,181,621</u>

(Continued)

See notes to basic financial statements.

# CITY OF RENO

## STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

	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					367,831	(367,831)	
CHANGE IN NET POSITION					73,291,712	39,576,371	112,868,083
NET POSITION, BEGINNING OF YEAR					<u>148,327,535</u>	<u>517,559,428</u>	<u>665,886,963</u>
NET POSITION, END OF YEAR					<u>\$ 221,619,247</u>	<u>\$ 557,135,799</u>	<u>\$ 778,755,046</u>

See notes to basic financial statements.

# **FUND FINANCIAL STATEMENTS**



# CITY OF RENO

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2020

	Special Revenue Fund		Debt Service Fund		Non-major Governmental Funds	Total Governmental Funds
	General Fund	Streets	Cabela's			
<b>ASSETS</b>						
Cash, cash equivalents and investments	\$ 29,792,683	\$ 33,296,899	\$ 604,662	\$ 81,903,085	\$ 145,597,329	
Accounts receivable, net	5,225,938	957,749		456,492	6,640,179	
Interest receivable	116,422	118,721		252,605	487,748	
Taxes receivable	570,346	178,513		25,257	774,116	
Special assessments receivable	13,382			9,176,802	9,190,184	
Due from other governments	36,593,265	1,336,475	250,973	5,764,390	43,945,103	
Due from other funds	720,000				720,000	
Advances to other funds		87,295			87,295	
Inventories	487,208	380,335			867,543	
Prepaid items	1,031,084	5,447		1,082,451	2,118,982	
Property held for sale				1,041,209	1,041,209	
Notes receivable, net				908,158	908,158	
<b>Total assets</b>	<b>\$ 74,550,328</b>	<b>\$ 36,361,434</b>	<b>\$ 855,635</b>	<b>\$ 100,610,449</b>	<b>\$ 212,377,846</b>	
<b>LIABILITIES</b>						
Accounts payable and other accrued liabilities	\$ 3,753,388	\$ 278,001		\$ 2,062,386	\$ 6,093,775	
Accrued salaries and benefits	8,520,145	204,387		15,258	8,739,790	
Contracts payable	78,922	6,544,753		952,586	7,576,261	
Due to other governments	238,393			224,749	463,142	
Deposits	759,044	216,327		98,553	1,073,924	
Unearned revenue	600				600	
Due to other funds				720,000	720,000	
Advances from other funds				87,295	87,295	
Interest payable			3,955,988	37,774	3,993,762	
Debt obligations payable			5,335,000		5,335,000	
<b>Total liabilities</b>	<b>13,350,492</b>	<b>7,243,468</b>	<b>9,290,988</b>	<b>4,198,601</b>	<b>34,083,549</b>	

(Continued)

See notes to basic financial statements.

**CITY OF RENO**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2020**

	Special Revenue Fund		Debt Service Fund		Non-major Governmental Funds	Total Governmental Funds
	General Fund	Streets	Cabela's			
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue, property taxes	583,728	178,513			25,257	787,498
Unavailable revenue, special assessments					7,741,669	7,741,669
Unavailable revenue, other	<u>822,839</u>	<u>104,389</u>			<u>49,271</u>	<u>976,499</u>
Total deferred inflows of resources	<u>1,406,567</u>	<u>282,902</u>			<u>7,816,197</u>	<u>9,505,666</u>
Total liabilities and deferred inflows of resources	<u>14,757,059</u>	<u>7,526,370</u>	<u>9,290,988</u>		<u>12,014,798</u>	<u>43,589,215</u>
<b>FUND BALANCES</b>						
Nonspendable						
Inventories	487,208	380,335				867,543
Prepaid items	1,031,084	5,447			1,082,451	2,118,982
Restricted for						
Debt service					35,838,021	35,838,021
Capital improvement projects	54,762	640,708			13,847,595	14,543,065
Fire, police and other public safety programs	166,974				728,203	895,177
Cultural, community and development programs	128,415				1,843,389	1,971,804
Other government programs					3,085,683	3,085,683
Assigned to						
Capital improvement projects	192,070	27,808,574			25,217,639	53,218,283
Fire, police and other public safety programs	453,093				106,030	559,123
Cultural, community and development programs	135,258					135,258
Self-insurance liabilities					4,097,780	4,097,780
Other government programs	28,208,125				2,748,860	30,956,985
Unassigned	<u>28,936,280</u>		<u>(8,435,353)</u>			<u>20,500,927</u>
Total fund balances	<u>59,793,269</u>	<u>28,835,064</u>	<u>(8,435,353)</u>		<u>88,595,651</u>	<u>168,788,631</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 74,550,328</u>	<u>\$ 36,361,434</u>	<u>\$ 855,635</u>		<u>\$ 100,610,449</u>	<u>\$ 212,377,846</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, 2020

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 168,788,631
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	\$ 1,924,670,695	
Less accumulated depreciation	<u>(989,117,989)</u>	935,552,706
Deferred inflows and outflows or resources related to OPEB and pension obligations reported in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Unamortized deferred outflows related to OPEB	\$ 3,049,482	
Unamortized deferred inflows related to OPEB	(51,624,674)	
Unamortized deferred outflows related to pensions	43,249,375	
Unamortized deferred inflows related to pensions	<u>(26,301,725)</u>	(31,627,542)
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	\$ (430,277,135)	
Unamortized premiums and discounts	(10,864,020)	
Unamortized deferred refunding charges	20,302,300	
Compensated absences payable	(23,904,160)	
Net OPEB liability	(163,705,298)	
Net pension liability	<u>(228,165,589)</u>	(836,613,902)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	\$ <u>(18,215,866)</u>	(18,215,866)
Unavailable revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	\$ <u>9,505,666</u>	9,505,666
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	\$ (5,924,231)	
Internal service fund balance receivable from business-type activities from current year activity	<u>153,785</u>	<u>(5,770,446)</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		\$ <u><u>221,619,247</u></u>

**CITY OF RENO**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Fund		Debt Service Fund		Non-major Governmental Funds	Total Governmental Funds
	General Fund	Streets	Cabela's			
<b>REVENUES</b>						
Taxes	\$ 56,895,817	\$ 17,689,725	\$	\$ 13,464,756	\$	\$ 88,050,298
Business licenses, permits, franchise and other fees	49,101,626	3,549,613		191,490		52,842,729
Intergovernmental shared revenues	103,523,836	6,804,611	1,308,375	19,444,271		131,081,093
Charges for services	11,547,755	14,715		1,175,151		12,737,621
Fines and forfeitures	2,756,097	15,514		154,712		2,926,323
Special assessments	2,694,758			1,756,163		4,450,921
Miscellaneous	7,376,022	1,819,866	13,146	13,571,568		22,780,602
Total revenues	<u>233,895,911</u>	<u>29,894,044</u>	<u>1,321,521</u>	<u>49,758,111</u>		<u>314,869,587</u>
<b>EXPENDITURES</b>						
Current						
General government	23,448,504			1,813,077		25,261,581
Judicial	7,435,559			142,008		7,577,567
Public safety	133,120,042			395,369		133,515,411
Public works	6,056,280	17,613,545		330,942		24,000,767
Culture and recreation	9,989,066			144,153		10,133,219
Planning and community development	5,968,556			6,564,970		12,533,526
Urban redevelopment				2,053,273		2,053,273
Other	13,588,789					13,588,789
Total current	<u>199,606,796</u>	<u>17,613,545</u>		<u>11,443,792</u>		<u>228,664,133</u>
Capital outlay						
General government	7,500			162,719		170,219
Public safety	235,109			8,431,111		8,666,220
Public works	7,064	9,675,516		7,358,907		17,041,487
Culture and recreation	48,391			2,823,184		2,871,575
Planning and community development				1,046,197		1,046,197
Urban redevelopment				3,971		3,971
Total capital outlay	<u>298,064</u>	<u>9,675,516</u>		<u>19,826,089</u>		<u>29,799,669</u>

(Continued)

**CITY OF RENO**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Fund		Debt Service Fund	Non-major Governmental Funds	Total Governmental Funds
	General Fund	Streets	Cabela's		
Debt service					
Principal payments	488,821		1,965,000	11,929,120	14,382,941
Interest expense and fiscal charges	1,344		1,225,300	14,669,687	15,896,331
Debt issuance costs				70,000	70,000
Administrative and other costs			3,300	105,256	108,556
Total debt service	<u>490,165</u>		<u>3,193,600</u>	<u>26,774,063</u>	<u>30,457,828</u>
Total expenditures	<u>200,395,025</u>	<u>27,289,061</u>	<u>3,193,600</u>	<u>58,043,944</u>	<u>288,921,630</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>33,500,886</u>	<u>2,604,983</u>	<u>(1,872,079)</u>	<u>(8,285,833)</u>	<u>25,947,957</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt				6,327,000	6,327,000
Proceeds from capital asset disposal	723			2,190,776	2,191,499
Transfers in	2,626,624	143,217		15,424,132	18,193,973
Transfers out	<u>(8,855,414)</u>	<u>(90,000)</u>		<u>(9,136,559)</u>	<u>(18,081,973)</u>
Total other financing sources (uses)	<u>(6,228,067)</u>	<u>53,217</u>		<u>14,805,349</u>	<u>8,630,499</u>
CHANGE IN FUND BALANCE	27,272,819	2,658,200	(1,872,079)	6,519,516	34,578,456
FUND BALANCE, BEGINNING OF YEAR	<u>32,520,450</u>	<u>26,176,864</u>	<u>(6,563,274)</u>	<u>82,076,135</u>	<u>134,210,175</u>
FUND BALANCE, END OF YEAR	<u>\$ 59,793,269</u>	<u>\$ 28,835,064</u>	<u>\$ (8,435,353)</u>	<u>\$ 88,595,651</u>	<u>\$ 168,788,631</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, 2020

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ 34,578,456
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	\$ 29,799,669	
Less current year depreciation	(47,952,001)	
Disposition of capital assets	<u>(3,731,999)</u>	(21,884,331)
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	\$ (421,364)	
Capital asset contributions	<u>51,918,288</u>	51,496,924
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	\$ (6,327,000)	
Debt principal repayments	<u>14,382,941</u>	8,055,941
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 OPEB related balances	\$ 6,378,439	
Change in compensated absences payable	164,155	
Change in pension related balances	(2,521,945)	
Amortization of deferred refunding charges	(878,256)	
Amortization of debt premiums and discounts	603,541	
Change in accrued interest	(5,479,391)	
Other	<u>1,404,027</u>	(329,430)
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	\$ 9,328,831	
The internal service funds change in net position related to business-type activities	<u>(7,954,679)</u>	<u>1,374,152</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 73,291,712</u>

**CITY OF RENO**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Business-type Activities			Governmental
			Total Enterprise	Internal Service
	Sanitary Sewer	Building Permit	Funds	Funds
<b>ASSETS</b>				
Current assets				
Cash, cash equivalents and investments	\$ 105,565,277	\$ 15,485,469	\$ 121,050,746	\$ 51,484,830
Accounts receivable, net	9,556,479		9,556,479	494,841
Interest receivable	489,503	57,774	547,277	168,850
Due from other governments	2,216,022		2,216,022	25,421
Inventories	296,708		296,708	127,195
Prepaid items	50,357	9,656	60,013	128,146
Restricted assets				
Cash, cash equivalents and investments	<u>34,162,340</u>		<u>34,162,340</u>	
Total current assets	<u>152,336,686</u>	<u>15,552,899</u>	<u>167,889,585</u>	<u>52,429,283</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation and amortization				
Construction in progress	25,197,144		25,197,144	
Land	11,334,930		11,334,930	
Water rights	1,812,114		1,812,114	
Buildings and building improvements	5,001,331	1,794,325	6,795,656	
Improvements other than buildings	333,920,475		333,920,475	
Machinery, equipment and software	8,193,701	34,558	8,228,259	10,320,701
Total capital assets, net of accumulated depreciation and amortization	<u>385,459,695</u>	<u>1,828,883</u>	<u>387,288,578</u>	<u>10,320,701</u>
Other assets				
Due from other governments	2,701,342		2,701,342	
Joint venture in Truckee Meadows Water Reclamation Facility	89,916,441		89,916,441	
Total other assets	<u>92,617,783</u>		<u>92,617,783</u>	
Total noncurrent assets	<u>478,077,478</u>	<u>1,828,883</u>	<u>479,906,361</u>	<u>10,320,701</u>
Total assets	<u>630,414,164</u>	<u>17,381,782</u>	<u>647,795,946</u>	<u>62,749,984</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized deferred refunding charges	262,927		262,927	
Deferred outflows related to pensions	2,338,277	1,449,095	3,787,372	315,900
Deferred outflows related to OPEB	48,308	30,074	78,382	7,366
Total deferred outflows of resources	<u>2,649,512</u>	<u>1,479,169</u>	<u>4,128,681</u>	<u>323,266</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and other accrued liabilities	1,224,675	53,672	1,278,347	600,104
Accounts payable from restricted assets	65,883		65,883	
Accrued salaries and benefits	301,047	174,698	475,745	45,655
Contracts payable	4,128,458		4,128,458	
Contracts payable from restricted assets	1,299,593		1,299,593	
Due to other governments	2,998,115	82,652	3,080,767	
Deposits	4,425,243		4,425,243	
Unearned revenue	1,891,127		1,891,127	
Interest payable	499,012		499,012	
Debt obligations payable	5,889,370		5,889,370	
Compensated absences	708,065	356,907	1,064,972	76,108
Self-insurance liability				10,356,871
Total current liabilities	<u>23,430,588</u>	<u>667,929</u>	<u>24,098,517</u>	<u>11,078,738</u>

(Continued)

**CITY OF RENO**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2020**

	Business-type Activities		Total Enterprise Funds	Governmental Activities
	Sanitary Sewer	Building Permit		Internal Service Funds
Noncurrent liabilities				
Debt obligations payable	39,154,179		39,154,179	
Compensated absences	260,850	83,491	344,341	
Net OPEB liability	2,573,126	1,601,921	4,175,047	392,392
Self-insurance liability				55,237,673
Net pension liability	<u>12,358,569</u>	<u>7,658,944</u>	<u>20,017,513</u>	<u>1,669,632</u>
Total noncurrent liabilities	<u>54,346,724</u>	<u>9,344,356</u>	<u>63,691,080</u>	<u>57,299,697</u>
Total liabilities	<u>77,777,312</u>	<u>10,012,285</u>	<u>87,789,597</u>	<u>68,378,435</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,419,849	879,920	2,299,769	191,821
Deferred inflows related to OPEB	<u>2,801,549</u>	<u>1,744,128</u>	<u>4,545,677</u>	<u>427,225</u>
Total deferred inflows of resources	<u>4,221,398</u>	<u>2,624,048</u>	<u>6,845,446</u>	<u>619,046</u>
NET POSITION				
Net investment in capital assets	340,679,073	1,828,883	342,507,956	10,320,701
Restricted				
Capital improvement projects	32,962,201		32,962,201	
Self-insurance liabilities				21,985,746
Unrestricted	<u>177,423,692</u>	<u>4,395,735</u>	<u>181,819,427</u>	<u>(38,230,678)</u>
Total net position	<u>\$ 551,064,966</u>	<u>\$ 6,224,618</u>	557,289,584	<u>\$ (5,924,231)</u>
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>(153,785)</u>	
Net position of business-type activities			<u>\$ 557,135,799</u>	

# CITY OF RENO

## PROPRIETARY FUNDS

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities			Governmental
			Total Enterprise	Internal Service
	Sanitary Sewer	Building Permit	Funds	Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 68,625,972	\$ 11,453,706	\$ 80,079,678	\$ 44,151,681
Licenses and permits	318,852		318,852	
Fines and forfeitures	1,183,625		1,183,625	
Miscellaneous	489,712		489,712	11,477,133
Total operating revenues	<u>70,618,161</u>	<u>11,453,706</u>	<u>82,071,867</u>	<u>55,628,814</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	6,781,883	4,144,278	10,926,161	1,027,402
Employee benefits	5,543,244	3,566,318	9,109,562	868,871
Services and supplies	18,590,404	5,235,009	23,825,413	44,113,901
Joint sewer plant	14,263,949		14,263,949	
Depreciation and amortization	11,972,084	110,531	12,082,615	2,708,912
Total operating expenses	<u>57,151,564</u>	<u>13,056,136</u>	<u>70,207,700</u>	<u>48,719,086</u>
Operating income (loss)	<u>13,466,597</u>	<u>(1,602,430)</u>	<u>11,864,167</u>	<u>6,909,728</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	5,013,037	614,106	5,627,143	1,816,257
Interest and fiscal charges	(1,445,408)		(1,445,408)	
Gain (loss) on capital asset disposition	(351,274)		(351,274)	(957)
Federal grants	53,150		53,150	28,655
Net loss from joint venture in Truckee Meadows Water Reclamation Facility	(5,696,983)		(5,696,983)	
Total nonoperating revenues (expenses)	<u>(2,427,478)</u>	<u>614,106</u>	<u>(1,813,372)</u>	<u>1,843,955</u>
Income (loss) before capital contributions and transfers	<u>11,039,119</u>	<u>(988,324)</u>	<u>10,050,795</u>	<u>8,753,683</u>
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions	10,727,964		10,727,964	575,148
Sewer connection charges	10,954,933		10,954,933	
Total capital contributions	<u>21,682,897</u>		<u>21,682,897</u>	<u>575,148</u>
<b>TRANSFERS</b>				
Transfers out	(112,000)		(112,000)	
CHANGE IN NET POSITION	32,610,016	(988,324)	31,621,692	9,328,831
NET POSITION, BEGINNING OF YEAR	<u>518,454,950</u>	<u>7,212,942</u>		<u>(15,253,062)</u>
NET POSITION, END OF YEAR	<u>\$ 551,064,966</u>	<u>\$ 6,224,618</u>		<u>\$ (5,924,231)</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds			<u>7,954,679</u>	
CHANGE IN NET POSITION, BUSINESS-TYPE ACTIVITIES			<u>\$ 39,576,371</u>	

**CITY OF RENO**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Business-type Activities			Governmental
			Total Enterprise	Internal Service
	Sanitary Sewer	Building Permit	Funds	Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 71,918,842	\$ 11,453,706	\$ 83,372,548	\$ 44,253,730
Cash received from interfund services				100,000
Cash received from other sources	1,619,258		1,619,258	11,925,203
Cash payments for goods and services	(20,839,444)	(4,104,807)	(24,944,251)	(41,944,415)
Cash payments for employee services	(8,964,053)	(5,553,857)	(14,517,910)	(1,335,697)
Cash payments for interfund goods and services	(7,947,234)	(1,092,670)	(9,039,904)	(929,637)
Cash payments for interfund employee benefits	(1,041,853)	(607,610)	(1,649,463)	(158,699)
Net cash provided by operating activities	<u>34,745,516</u>	<u>94,762</u>	<u>34,840,278</u>	<u>11,910,485</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out	(112,000)		(112,000)	
Cash received from grants	53,150		53,150	28,655
Contributions to joint venture in Truckee Meadows Water Reclamation Facility	(4,337,438)		(4,337,438)	
Net cash provided by (used in) noncapital financing activities	<u>(4,396,288)</u>		<u>(4,396,288)</u>	<u>28,655</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(18,894,687)		(18,894,687)	(3,380,584)
Proceeds received from disposal of capital assets				56,453
Proceeds from debt issuance	2,616,551		2,616,551	
Principal payments on debt	(5,717,504)		(5,717,504)	
Payments of interest and fiscal charges	(1,476,040)		(1,476,040)	
Connection charges	10,954,933		10,954,933	
Net cash used in capital financing activities	<u>(12,516,747)</u>		<u>(12,516,747)</u>	<u>(3,324,131)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	3,294,362	421,629	3,715,991	1,234,622
Change in fair value of cash equivalent investments	1,730,075	197,469	1,927,544	589,508
Net cash provided by investing activities	<u>5,024,437</u>	<u>619,098</u>	<u>5,643,535</u>	<u>1,824,130</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	22,856,918	713,860	23,570,778	10,439,139
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>116,870,699</u>	<u>14,771,609</u>	<u>131,642,308</u>	<u>41,045,691</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>				
Cash and cash equivalents, unrestricted	105,565,277	15,485,469	121,050,746	51,484,830
Cash and cash equivalents, restricted	34,162,340		34,162,340	
	<u>\$ 139,727,617</u>	<u>\$ 15,485,469</u>	<u>\$ 155,213,086</u>	<u>\$ 51,484,830</u>

(Continued)



**CITY OF RENO**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Business-type Activities		Total Enterprise Funds	Governmental Activities
	Sanitary Sewer	Building Permit		Internal Service Funds
	<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 13,466,597	\$ (1,602,430)	\$ 11,864,167	\$ 6,909,728
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	11,972,084	110,531	12,082,615	2,708,912
(Increase) decrease in operating assets				
Accounts receivable	989,138		989,138	202,049
Notes receivable	769,289		769,289	
Due from other governments	360,257		360,257	448,070
Inventories	17,125		17,125	42,089
Prepaid items	(20,398)	(9,317)	(29,715)	11,832
Increase (decrease) in operating liabilities				
Accounts payable and accrued expenses	430,069	4,800	434,869	(331,752)
Accrued salaries and benefits	78,089	28,748	106,837	12,524
Contracts and retention payable	2,746,077		2,746,077	
Due to other governments	894,802	42,049	936,851	
Deposits	2,410,128		2,410,128	
Compensated absences	56,110	(7,902)	48,208	11,135
Self-insurance liability				1,517,680
Postemployment benefits other than pensions	1,382,827	973,342	2,356,169	231,641
Net pension liability	802,195	554,941	1,357,136	146,577
Unearned revenue	(1,608,873)		(1,608,873)	
Total adjustments	<u>21,278,919</u>	<u>1,697,192</u>	<u>22,976,111</u>	<u>5,000,757</u>
Net cash provided by operating activities	<u>\$ 34,745,516</u>	<u>\$ 94,762</u>	<u>\$ 34,840,278</u>	<u>\$ 11,910,485</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Contribution of capital assets	<u>\$ 10,727,964</u>	<u>\$</u>	<u>\$ 10,727,964</u>	<u>\$ 575,148</u>

**CITY OF RENO**  
**FIDUCIARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<u>Special Assessment District Custodial Fund</u>	<u>OPEB Trust Fund</u>
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$ 6,270,367	\$
Investment in RBIF Retirement System		11,569,332
Interest receivable	809	
Special assessments receivable	<u>958,803</u>	<u>                    </u>
Total assets	<u>7,229,979</u>	<u>11,569,332</u>
<b>LIABILITIES</b>		
Accounts payable and other accrued liabilities	7,228	
Due to other governments	8,871	
Deposits	26,620	
Due to developers, employees and others	<u>2,360,000</u>	<u>                    </u>
Total liabilities	<u>2,402,719</u>	<u>                    </u>
<b>NET POSITION</b>		
Assets held in trust for pension and other employee benefits		11,569,332
Restricted for other governments and organizations	<u>4,827,260</u>	<u>                    </u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 4,827,260</u></u>	<u><u>\$ 11,569,332</u></u>

# CITY OF RENO

## FIDUCIARY FUNDS STATEMENT OF CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2020

	<u>Special Assessment District Custodial Fund</u>	<u>OPEB Trust Fund</u>
ADDITIONS		
Contributions		
Employer	\$	\$ 1,457,790
Plan members		76,160
Investment earnings		
Interest, dividends and other investment income	262,693	216,490
Net change in fair value of investment	16,122	415,954
Investment expense		(2,594)
Collections from special assessment districts	1,137,181	
Miscellaneous	<u>62,677</u>	
Total additions	<u>1,478,673</u>	<u>2,163,800</u>
DEDUCTIONS		
Services and supplies	137,696	
Interest and fiscal charges	<u>151,336</u>	
Total deductions	<u>289,032</u>	
CHANGE IN NET POSITION	1,189,641	2,163,800
NET POSITION, BEGINNING OF YEAR	<u>3,637,619</u>	<u>9,405,532</u>
NET POSITION, END OF YEAR	<u>\$ 4,827,260</u>	<u>\$ 11,569,332</u>



**NOTES TO BASIC  
FINANCIAL STATEMENTS**



# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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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, 2020

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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 custodial 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.

(Continued)



# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

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

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.

2007 Sales Tax Increment Debt Service Fund – During the year ended June 30, 2020, management of the City decided to report and monitor the Cabela's Debt Service Fund separately from the consolidated Reno Debt Service Fund (a non-major governmental fund). Accounts for the accumulation of resources for payment of the 2007A and 2007B Sales Tax Increment Bonds (and debt supported by dedicated revenue sources) issued for the purposes of constructing public improvements at the Cabela's Reno retail store.

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, 2020

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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 trust or custodial 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:

Custodial 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.

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, 2020, notes receivable are shown net of an allowance for uncollectible amounts totaling \$49,752,884.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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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, 2020

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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, 2020

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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, 2020

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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, 2020

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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 unrestricted 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/expenses in the reimbursing fund and as reductions of expenditures/expenses 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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

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

The NRS require budget controls to be exercised at the function level. The City Manager is authorized under the NRS to amend the budget by transferring appropriations within a function or program. Transfers between any function or program within a fund or transfers of appropriations between funds and the contingency account, may be authorized subject to subsequent approval by the City Council.

Revisions that alter the total appropriations of a function or fund must be approved in advance by the City Council in the form of a resolution. If the fund being augmented receives property tax revenue, notice is published in the local newspaper three working days in advance of the public meeting.

All unencumbered appropriations lapse at the fiscal year end.

The City cannot expend any money, incur any liability, or enter into any contract, which by its 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, 2020, total expenditures/expenses exceeded appropriations for the following funds and/or functions, which are potential violations of NRS 354.626:

Community Assistance Center Special Revenue Fund, Planning and Community Development Function	\$	(175,067)
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For the year ended June 30, 2020, total expenditures exceeded appropriations for the following funds and/or functions, which are exempt from the provisions of NRS 354.626:

Railroad Debt Service Fund, Debt Service Function	\$	(30,767)
Self-funded Risk Retention Internal Service Fund		(170,054)

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

### **Deficit Fund Balance or Net Position**

At June 30, 2020, the following funds had a deficit fund balance or net position:

Cabela's debt service fund	\$	(8,435,353)
This deficit is due to insufficient pledged revenues for the 2007A & B Sales Tax Increment Revenue Bonds.		
Self-Funded Worker's Compensation internal service fund		(43,193,447)
The deficit is expected to remain until such time as the State Legislature provides a solution to the heart/lung presumptive liability issue.		

(Continued)



# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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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, 2020 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, 2020 – \$97,451  
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, 2020 – \$60,741  
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, 2020 – \$1,187,144  
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, 2020 – \$382,337  
Specific tax being abated – Property taxes and/or sales and use taxes

### **Adoption of Accounting Pronouncement**

Effective for year ended June 30, 2020, the City adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of the statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement established criteria for identifying fiduciary activities focusing on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. As a result of adopting the statement, the performance bond activity fund was recharacterized to a special revenue fund, resulting in an increase to beginning net position and fund balance of \$4,201,966.

(Continued)

## CITY OF RENO

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32 effective immediately for the requirements in paragraph 4 as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, and for paragraph 5. The requirements in paragraphs 6-9 are effective for fiscal years beginning after June 15, 2021, and all other requirements are effective for reporting periods beginning after June 15, 2021. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management has not yet performed an analysis of this statement to determine whether it will have a material effect on the City's net position, results of operations, or cash flows.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement defines a SBITA, establishes that a SBITA results in right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. Management has not yet performed an analysis of this statement to determine whether it will have a material effect on the City's net position, results of operations, or cash flows.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidances*, which delayed the effective date of certain authoritative guidance by either 12 or 18 months. The effective date for GASB Statement Nos. 93, 84, 88, 89, 90, 91, 92 and 93, and Implementation Guide Nos. 2017-3, 2018-1, 2019-1 and 2019-2 were delayed by 12 months. The effective date for GASB Statement No. 87, and Implementation Guide No. 2019-3 were delayed by 18 months. As discussed herein, management has either completed or not yet performed an analysis of each of these statements, which will be implemented prior to the applicable effective dates.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public-Partnerships and Availability Payment Arrangements*, effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements, as well as to provide guidance for accounting and financial reporting for availability payment arrangements. Management has not yet performed an analysis 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, 2020

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In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, effective for reporting periods beginning after June 15, 2020, except for paragraph 11b, which is effective for financial statements for periods beginning after December 31, 2021, and for paragraphs 13, and 14, which are effective for fiscal years beginning after June 15, 2021. The objectives of this statement are to address the cessation of using LIBOR as a global reference rate, certain requirements of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instrument* as amended, and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). Management has determined that implementation of this statement will affect one bond currently outstanding for which the interest rate is based on LIBOR and will begin the process of negotiating a new rate in January of 2021.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*, with the following effective dates:

The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.

The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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The objectives of this statement are to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, effective for financial statements for reporting periods beginning after December 15, 2021. 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 August of 2018, the GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for reporting periods beginning after December 15, 2019. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Management does not believe that implementation of this statement will 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, 2021. 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.

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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### Note 3. Detailed Notes on all Funds

#### Cash, Cash Equivalents and Investments

At June 30, 2020, the City's cash, cash equivalents and investments (including restricted amounts) were as follows:

Pooled cash, cash equivalents and investments	
Cash in bank	\$ 11,746,698
Cash equivalents	35,529,938
Investments	<u>288,529,019</u>
Total pooled cash, cash equivalents and investments	<u>335,805,655</u>
Non-pooled cash, cash equivalents and investments	
Cash on hand	25,550
Cash in bank	401,355
Cash equivalents	22,333,052
Investments	<u>11,569,332</u>
Total non-pooled cash, cash equivalents and investments	<u>34,329,289</u>
Total cash, cash equivalents and investments	<u>\$ 370,134,944</u>

At June 30, 2020, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements follows:

Governmental activities	\$ 197,082,159
Business-type activities	155,213,086
Fiduciary funds	<u>17,839,699</u>
Total cash, cash equivalents and investments	<u>\$ 370,134,944</u>

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 \$12,148,053, and the bank balance was \$15,440,254. As of June 30, 2020, the City's bank balance was either insured by the Federal Depository Insurance Corporation (FDIC) or fully collateralized in accordance with the NRS as discussed in the following paragraph.

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

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

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.

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).

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2020, 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	1.5% to 2.88%	7/15/2020 to 1/31/2025	\$ 101,911,000	\$ 103,145,562	\$ 105,635,979	2.04
Money Market Mutual Funds	Variable	On demand		4,695,120	4,695,120	0.10
Commercial Paper	0.3	7/2/2020 to 2/2/2021	26,627,000	26,486,987	26,612,095	0.13
U.S. Agency securities						
Federal National Mortgage Association	2.50% to 4.00%	12/1/2027 to 3/1/2035	6,934,580	7,150,863	7,351,559	12.36
Federal Home Loan Bank	1.25% to 5.00%	12/25/2024 to 11/25/2046	9,713,995	10,018,414	10,208,023	13.85
Federal Agency Bond/Note	0.25% to 2.8%	2/12/2021 to 8/15/2027	66,698,223	66,795,674	68,065,608	2.53
Local Government						
Investment Pool	Variable	On demand		35,437,768	35,529,938	N/A
Notes, Bonds and Other Obligations Issued by U.S. Corporations	0.32% to 4.10%	7/17/2020 to 5/11/2025	52,795,000	53,457,914	55,195,370	2.43
Asset-Backed Securities	1.66% to 2.64%	12/15/2022 to 12/16/2024	8,105,000	8,103,891	8,295,723	0.56
Foreign Issues	0.50% to 0.63%	4/7/2022 to 5/24/2023	<u>2,455,000</u>	<u>2,453,333</u>	<u>2,469,542</u>	0.10
Total pooled cash equivalents and investments			<u>275,239,798</u>	<u>317,745,526</u>	<u>324,058,957</u>	
Non-pooled cash equivalents and investments						
Money Market Mutual Funds	Variable	On demand		22,333,052	22,333,052	N/A
Nevada RBIF Retirement System Trust Units	Variable	On demand		<u>11,569,332</u>	<u>11,569,332</u>	N/A
Total non-pooled cash equivalents and investments				<u>33,902,384</u>	<u>33,902,384</u>	
Total cash equivalents and investments			<u>\$ 275,239,798</u>	<u>\$ 351,647,910</u>	<u>\$ 357,961,341</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, 2020**

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	*	*	32.60 %
Commercial Paper	AAA	Aa1	8.21 %
U.S. Agency securities			
Federal National Mortgage Association	AA+	Aaa	2.27 %
Federal Home Loan Bank			3.15 %
Federal Agency Bond/Note	AA+	Aaa	21.00 %
Local Government Investment Pool	N/A	N/A	10.97 %
Notes, Bonds and Other Obligations issued by U.S. Corporations	BBB+ to AA+	Baa1 to Aa2	19.59 %
Foreign Issues	AAA	Aaa	0.76 %
Money Market Accounts			1.45 %
Total pooled investments			100.00 %
Non-pooled investments			
Money Market Accounts	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 type of investment that represent 5% or more of total investments at June 30, 2020, were as follows:

	Percentage of Portfolio
U.S. Treasury obligations	32.60 %
U.S. Agency securities	
Federal Agency bonds and notes	21.00 %
Local Government Investment Pool	10.97 %
Corporate bonds and notes	19.59 %
Commercial paper	8.21 %

(Continued)



# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

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.

### Capital Assets

For the year ended June 30, 2020, capital asset activity was as follows:

	Balance July 1, 2019	Increases	Decreases	Transfers*	Balance June 30, 2020
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 7,926,824	\$ 17,662,315	\$ (377,270)	\$ (12,405,708)	\$ 12,806,161
Land	148,192,906	2,967,708	(2,477,000)		148,683,614
Water rights	<u>1,125,000</u>				<u>1,125,000</u>
Total capital assets not being depreciated or amortized	<u>157,244,730</u>	<u>20,630,023</u>	<u>(2,854,270)</u>	<u>(12,405,708)</u>	<u>162,614,775</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	234,117,375	4,303,607	(622,246)	4,948,536	242,747,272
Improvements other than buildings	374,532,169		(7,636,354)	3,231,281	370,127,096
Infrastructure	1,043,569,406	51,872,765	(1,762,999)	4,198,041	1,097,877,213
Machinery, equipment and software	75,173,414	8,707,921	(3,239,200)	184,267	80,826,402
Art and historical treasures	<u>3,428,163</u>	<u>37,500</u>			<u>3,465,663</u>
Total capital assets being depreciated or amortized	<u>1,730,820,527</u>	<u>64,921,793</u>	<u>(13,260,799)</u>	<u>12,562,125</u>	<u>1,795,043,646</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(83,558,473)	(6,299,438)	285,474		(89,572,437)
Improvements other than buildings	(109,974,005)	(7,374,064)	7,381,788		(109,966,281)
Infrastructure	(726,467,283)	(32,023,882)	1,763,000		(756,728,165)
Machinery, equipment and software	(52,555,805)	(4,921,472)	2,860,906		(54,616,371)
Art and historical treasures	<u>(859,704)</u>	<u>(42,056)</u>			<u>(901,760)</u>
Total accumulated depreciation and amortization	<u>(973,415,270)</u>	<u>(50,660,912)</u>	<u>12,291,168</u>		<u>(1,011,785,014)</u>
Total capital assets being depreciated or amortized, net	<u>757,405,257</u>	<u>14,260,881</u>	<u>(969,631)</u>	<u>12,562,125</u>	<u>783,258,632</u>
Total governmental activities	<u>\$ 914,649,987</u>	<u>\$ 34,890,904</u>	<u>\$ (3,823,901)</u>	<u>\$ 156,417</u>	<u>\$ 945,873,407</u>

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

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Transfers*	Balance June 30, 2020
<b>Business-type activities</b>					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 22,219,588	\$ 18,850,440	\$ (238,001)	\$ (15,634,883)	\$ 25,197,144
Land	11,334,930				11,334,930
Water rights	<u>1,812,114</u>				<u>1,812,114</u>
Total capital assets not being depreciated or amortized	<u>35,366,632</u>	<u>18,850,440</u>	<u>(238,001)</u>	<u>(15,634,883)</u>	<u>38,344,188</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	14,326,282		(149,713)		14,176,569
Improvements other than buildings	489,399,640	10,802,715		15,478,466	515,680,821
Machinery, equipment and software	<u>9,368,734</u>	<u>108,082</u>	<u>(2,500)</u>		<u>9,474,316</u>
Total capital assets being depreciated or amortized	<u>513,094,656</u>	<u>10,910,797</u>	<u>(152,213)</u>	<u>15,478,466</u>	<u>539,331,706</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(7,071,285)	(363,899)	54,271		(7,380,913)
Improvements other than buildings	(170,533,220)	(11,227,126)			(181,760,346)
Machinery, equipment and software	<u>(756,967)</u>	<u>(491,590)</u>	<u>2,500</u>		<u>(1,246,057)</u>
Total accumulated depreciation and amortization	<u>(178,361,472)</u>	<u>(12,082,615)</u>	<u>56,771</u>		<u>(190,387,316)</u>
Total capital assets being depreciated or amortized, net	<u>334,733,184</u>	<u>(1,171,818)</u>	<u>(95,442)</u>	<u>15,478,466</u>	<u>348,944,390</u>
Total business-type activities	<u>\$ 370,099,816</u>	<u>\$ 17,678,622</u>	<u>\$ (333,443)</u>	<u>\$ (156,417)</u>	<u>\$ 387,288,578</u>

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

For the year ended June 30, 2020, charges, by function, for depreciation expense were as follows:

<b>Governmental activities</b>	
General government	\$ 1,242,733
Judicial	476,937
Public safety	2,132,895
Public works	36,431,689
Culture and recreation	6,101,448
Planning and community development	159,751
Urban development	1,291,727
Other	111,647
Internal service fund depreciation expense is charged to specific functions based on asset usage	<u>2,712,084</u>
Total depreciation expense, governmental activities	<u>\$ 50,660,911</u>
<b>Business-type activities</b>	
Sanitary sewer	\$ 11,972,084
Building permit	<u>110,531</u>
Total depreciation expense, business-type activities	<u>\$ 12,082,615</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

### Due To and From Other Funds

At June 30, 2020, amounts due to and from other funds resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

	Receivable	Payable
General Fund	\$ 720,000	
Non-major Governmental Funds		720,000
	\$ 720,000	\$ 720,000

### Advances To and From Other Funds

At June 30, 2020, advances to and from other funds resulting from lending or borrowing transactions, were as follows:

	Receivable	Payable
Streets Special Revenue Fund	\$ 87,295	
Non-major Governmental Funds		87,295
	\$ 87,295	\$ 87,295

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.

	2013 No. 1 Special Assessment	
For the Year Ended June 30,	Principal	Interest
2021	\$ 19,928	\$ 4,943
2022	21,142	3,730
2023	22,430	2,442
2024	23,795	1,076
	\$ 87,295	\$ 12,191

### 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, 2020, non-capital asset related interfund transfers were as follows:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Non-major Governmental Funds	\$ 2,626,624
Streets Special Revenue Fund	Non-major Governmental Funds	143,217
Non-major Governmental Funds	General Fund	8,855,414
	Streets Special Revenue Fund	90,000
	Non-major Governmental Funds	6,366,718
	Sanitary Sewer Enterprise Fund	112,000
		\$ 18,193,973

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

### Long-term Liabilities

#### General Obligation Bonds, Tax Allocation Bonds and Notes Payable

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

#### Pledged Revenue Bonds

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

#### Governmental activities

##### Pledged revenue – Up to 15% of consolidated tax revenues

Total revenue bond principal and interest remaining to be paid at June 30, 2020	\$ 223,406,613
Total revenue bond principal and interest paid during the year ended June 30, 2020	\$ 7,511,313
Total pledged revenue for the year ended June 30, 2020	\$ 10,792,050
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. This bond are also secured by room taxes, which was the primary bond repayment source for the fiscal year.

2. This bond 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, 2020	\$ 10,071,588
Total revenue bond principal and interest paid during the year ended June 30, 2020	\$ 632,424
Total pledged revenue for the year ended June 30, 2020	\$ 688,373
Revenue bond issued and revenue pledge maturity	
2006 Taxable Senior Lien Room Tax Revenue Refunding Bonds	June 1, 2036

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

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, 2020	\$ 223,406,613
Total revenue bond principal and interest paid during the year ended June 30, 2020	\$ 7,511,313
Total pledged revenue for the year ended June 30, 2020	\$ 5,782,083
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.

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, 2020	\$ 35,550,675
Total revenue bond principal and interest paid during the year ended June 30, 2020 <sup>2</sup>	\$ 1,458,750
Total pledged revenue for the year ended June 30, 2020	\$ 1,308,375
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 \$9,290,988.
2. A portion of the payment was made from the bond reserve.

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, 2020	\$ 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 2020, 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, 2020	\$ 1,180,906,250
Total revenue bond principal and interest paid during the year ended June 30, 2020	\$ 10,628,119
Total pledged revenue for the year ended June 30, 2020	\$ 11,205,444
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

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

Pledged revenue – Lease revenues

Total revenue bond principal and interest remaining to be paid at June 30, 2020	\$ 4,485,844
Total revenue bond principal and interest paid during the year ended June 30, 2020	\$ 849,113
Total pledged revenue for the year ended June 30, 2020	\$ 965,132
Revenue bonds issued and revenue pledge maturity	
2014 Taxable Lease Revenue Refunding Bond	July 1, 2024

Business-type activities

Pledged revenue – Sewer fees

Total revenue bond principal and interest remaining to be paid at June 30, 2020	\$ 54,750,256
Total revenue bond principal and interest paid during the year ended June 30, 2020	\$ 6,847,183
Total pledged revenue for the year ended June 30, 2020	\$ 41,459,803
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
2020 Sewer General Obligation Sewer Refunding Bonds	

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

### Special Assessment Bonds

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

### Installment Purchase Agreements

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

Outstanding long-term debt obligations at June 30, 2020, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2020</u>
Governmental activities				
General obligations bonds				
2013A Capital Improvement Refunding Bonds	June 1, 2018 - June 1, 2032	4.00% - 5.00%	\$ 36,115,000	\$ 32,285,000
2013B Medium-Term Various Purpose Bonds	June 1, 2014 - June 1, 2023	2.00% - 5.00%	<u>32,995,000</u>	<u>295,000</u>
Total general obligations bonds			<u>69,110,000</u>	<u>32,580,000</u>
Tax allocation bonds				

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2020</u>
2007A Tax Increment Senior Lien (Taxable)	June 1, 2018 - June 1, 2023	6.10%	\$ 4,000,000	\$ 2,145,000
2007B Tax Increment Senior Lien	June 1, 2019 - June 1, 2027	5.00%	4,000,000	3,900,000
2007C Tax Increment Subordinate Lien	June 1, 2019 - June 1, 2027	5.40%	<u>12,690,000</u>	<u>10,360,000</u>
Total tax allocation bonds			<u>20,690,000</u>	<u>16,405,000</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	6,400,000
2018A 1st Senior Lien ReTRAC Refunding Bonds	June 1, 2019 - June 1, 2058	4.0%-5.0%	123,275,000	121,215,000
2018B 2nd Senior ReTRAC Refunding Bonds	June 1, 2019 - June 1, 2058	4.0%-5.0%	32,680,000	32,125,000
2018C 1st Subordinate Lien ReTRAC Refunding Bonds	July 1, 2058	6.15%	58,659,820	56,444,570
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>4,325,000</u>
Total revenue bonds			<u>333,807,712</u>	<u>322,240,037</u>
Special Assessment District Bonds				
1999 Special Assessment District No. 3	February 1, 2003 - February 1, 2022	4.50% - 5.60%	1,763,728	90,000
2001 Stead Special Improvement District No. 2	June 1, 2004 - June 1, 2023	2.75% - 5.00%	2,470,000	125,000
2002 Special Improvement District No. 5	December 1, 2006 - December 1, 2025	5.70% - 7.25%	7,500,000	3,315,000
1999 Special Assessment District No. 2, Series 2016	June 1, 2017 - June 1, 2025	1.45% - 3.00%	<u>6,640,000</u>	<u>3,715,000</u>
Total special assessment district bonds			<u>18,373,728</u>	<u>7,245,000</u>
Direct Borrowings and Direct Placements				

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2020</u>
2019 Medium Term Fire Apparatus Bonds	June 1, 2020 June 1, 2029	1.70%	\$ 6,327,000	\$ 5,688,000
2017 Tax Increment Refunding Bonds	June 29, 2019 Jun 29, 2035	2.46%	655,000	608,000
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	12,310,000
2007B Sales Tax Increment Bonds (Cabela's)	June 29, 2009 - June 29, 2027	6.50%	18,175,000	14,415,000
2008B NV Taxable Local Improvement	May 1, 2009 - May 1, 2026	7.01%	1,115,000	101,000
2010 Special Assessment District No. 2	November 1, 2012 - November 1, 2041	4.00%	939,800	787,050
2014 Taxable Lease Refunding Bonds	June 1, 2014 June 1, 2024	Variable	9,188,000	4,415,000
Washoe County (Accela)	January 31, 2016 - October 31, 2020	1.99%	300,221	30,022
Axon (RPD Body Cameras)	July 1, 2018 - July 1, 2021	N/A	1,765,105	857,553
Clean Energy Renewable Installment Purchase Agreement	December 15, 2009 - December 15, 2023	1.00%	2,340,000	624,000
Qualified Energy Conservation Bond Installment Purchase Agreement	June 1, 2012 - June 1, 2025	6.45%	2,261,000	898,000
Recovery Zone Economic Development Bond Installment Purchase Agreement	June 1, 2012 - June 1, 2027	6.45%	<u>10,860,000</u>	<u>6,841,000</u>
Total direct borrowings and direct placements			<u>80,451,126</u>	<u>57,142,098</u>
Total governmental activities			<u>522,432,566</u>	<u>435,612,135</u>

(Continued)



# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2020</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>18,510,000</u>
Total general obligations bonds			<u>21,750,000</u>	<u>18,510,000</u>
Direct Borrowings and Direct Placements				
2016 Sewer General Refunding Bonds	January 1, 2017 - July 1, 2025	1.610%	41,245,638	23,862,872
2020 Sewer Revenue Refunding Bonds		1.420%	<u>55,000,000</u>	<u>2,616,551</u>
Total direct borrowings and direct placements			<u>96,245,638</u>	<u>26,479,423</u>
Total business-type activities			<u>117,995,638</u>	<u>44,989,423</u>
Total long-term debt obligations			<u>\$ 640,428,204</u>	<u>\$ 480,601,558</u>

At June 30, 2020, annual debt service requirements to maturity were as follows:

<u>For the Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
Governmental activities		
General obligations bonds		
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	2,320,000	1,188,963
2026 - 2030	14,820,000	4,100,150
2031 - 2035	<u>7,665,000</u>	<u>582,000</u>
Total general obligations bonds	<u>32,580,000</u>	<u>11,634,215</u>
Tax allocation bonds		
2021	1,985,000	885,285
2022	2,095,000	773,570
2023	2,215,000	655,655
2024	2,335,000	531,000
2025	2,460,000	408,370
2026 - 2030	<u>5,315,000</u>	<u>422,300</u>
Total tax allocation bonds	<u>16,405,000</u>	<u>3,676,180</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

For the Year Ended June 30,	Principal	Interest
Revenue bonds		
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	3,400,000	10,043,807
2026 - 2030	20,170,000	47,417,101
2031 - 2035	23,598,372	57,307,973
2036 - 2040	40,961,605	46,042,717
2041 - 2045	60,055,000	26,325,694
2046 - 2050	33,940,000	15,042,613
2051 - 2055	32,695,000	8,672,000
2056 - 2060	95,510,060	795,812,159
Total revenue bonds	322,240,037	1,048,254,953
Special Assessment District Bonds		
2021	1,255,000	334,958
2022	1,300,000	281,899
2023	1,315,000	222,463
2024	1,325,000	158,544
2025	1,395,000	93,150
2026 - 2030	655,000	23,744
Total special assessment district bonds	7,245,000	1,114,758
Direct Borrowings and Direct Placements		
2021	19,979,033	5,754,166
2022	5,411,466	1,606,642
2023	5,334,660	1,398,229
2024	6,585,670	1,171,630
2025	5,075,710	921,334
2026 - 2030	14,014,850	1,132,153
2031 - 2035	412,250	100,377
2036 - 2040	225,050	43,907
2041 - 2045	103,410	4,178
Total direct borrowings and direct placements	57,142,099	12,132,616
Total governmental activities	\$ 435,612,136	\$ 1,076,812,722
Business-type activities		
General obligations bonds		
2021	\$ 600,000	\$ 700,819
2022	620,000	679,519
2023	640,000	660,619
2024	660,000	641,119
2025	680,000	620,591
2026 - 2030	3,780,000	2,722,928
2031 - 2035	4,610,000	1,896,350
2036 - 2040	5,645,000	863,641
2041 - 2045	1,275,000	26,297
Total general obligations bonds	18,510,000	8,811,883

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

For the Year Ended June 30,	Principal	Interest
Direct Borrowings and Direct Placements		
2021	\$ 5,289,370	\$ 363,052
2022	5,440,444	277,290
2023	5,595,843	189,078
2024	8,372,245	98,346
2025	1,496,965	18,893
2026 - 2030	284,556	2,291
Total direct borrowings and direct placements	26,479,423	948,950
Total business-type activities	\$ 44,989,423	\$ 9,760,833

Long-term liabilities activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Governmental activities					
General obligations bonds					
2013A Capital Improvement Refunding Bonds	\$ 33,755,000	\$	\$ (1,470,000)	\$ 32,285,000	\$ 1,620,000
2013B Medium-Term Various Purpose Bonds	385,000		(90,000)	295,000	95,000
Total general obligations bonds	34,140,000		(1,560,000)	32,580,000	1,715,000
Tax allocation bonds					
2007A Tax Increment Senior Lien (Taxable)	2,780,000		(635,000)	2,145,000	675,000
2007B Tax Increment Senior Lien	3,950,000		(50,000)	3,900,000	50,000
2007C Tax Increment Subordinate Lien	11,555,000		(1,195,000)	10,360,000	1,260,000
Total tax allocation bonds	18,285,000		(1,880,000)	16,405,000	1,985,000
Revenue bonds					
2005C Capital Improvement Bonds	5,694,977			5,694,977	
2006 Taxable Room Tax Revenue Refunding Bonds	6,640,000		(240,000)	6,400,000	250,000
2018A 1st Senior Lien ReTRAC Refunding Bonds	122,345,000		(1,130,000)	121,215,000	1,185,000
2018B 2nd Senior ReTRAC Refunding Bonds	32,430,000		(305,000)	32,125,000	320,000
2018C 1st Subordinate Lien ReTRAC Refunding Bonds	58,659,820		(2,215,250)	56,444,570	
2018D 2nd Subordinate Lien ReTRAC Refunding Bonds	16,115,490			16,115,490	

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
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>(920,000)</u>	<u>4,325,000</u>	<u>985,000</u>
Total revenue bonds	<u>327,050,287</u>		<u>(4,810,250)</u>	<u>322,240,037</u>	<u>2,740,000</u>
Special Assessment District Bonds					
1999 Special Assessment District No. 3	135,000		(45,000)	90,000	45,000
2001 Stead Special Improvement District No. 2	175,000		(50,000)	125,000	40,000
2002 Special Improvement District No. 5	3,745,000		(430,000)	3,315,000	460,000
1999 Special Assessment District No. 2, Series 2016	<u>4,465,000</u>		<u>(750,000)</u>	<u>3,715,000</u>	<u>710,000</u>
Total special assessment district bonds	<u>8,520,000</u>		<u>(1,275,000)</u>	<u>7,245,000</u>	<u>1,255,000</u>
Direct Borrowings and Direct Placements					
2019 Medium-Term Fire Apparatus Bonds		6,327,000	(639,000)	5,688,000	590,000
2017 Tax Increment Refunding Bonds	641,000		(33,000)	608,000	34,000
2006 Sales Tax Increment Subordinate Lien Bonds	9,567,473			9,567,473	9,567,473
2007A Sales Tax Increment Bonds (Cabela's)	12,670,000		(360,000)	12,310,000	3,560,000
2007B Sales Tax Increment Bonds (Cabela's)	14,780,000		(365,000)	14,415,000	3,935,000
2008B NV Taxable Local Improvement	153,000		(52,000)	101,000	24,000
2010 Special Assessment District No. 2	808,920		(21,870)	787,050	22,760
2014 Taxable Lease Refunding Bonds	5,152,000		(737,000)	4,415,000	804,000
Washoe County (Accela)	90,067		(60,045)	30,022	30,022
Axon (RPD Body Cameras)	1,286,329		(428,776)	857,553	428,778
Clean Energy Renewable Installment Purchase Agreement	780,000		(156,000)	624,000	156,000
Qualified Energy Conservation Bond Installment Purchase Agreement	1,065,000		(167,000)	898,000	171,000
Recovery Zone Economic Development Bond Installment Purchase Agreement	<u>7,439,000</u>		<u>(598,000)</u>	<u>6,841,000</u>	<u>656,000</u>
Total direct borrowings and direct placements	<u>54,432,789</u>	<u>6,327,000</u>	<u>(3,617,691)</u>	<u>57,142,098</u>	<u>19,979,033</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Unamortized bond premiums and discounts, net	\$ 11,467,562		\$ (603,542)	\$ 10,864,020	
Net pension liability	228,330,492	36,429,405	(34,924,676)	229,835,221	
Compensated absences	24,133,289	14,463,360	(14,616,380)	23,980,269	14,883,595
Postemployment benefits other than pensions	219,753,013	3,067,648	(58,722,971)	164,097,690	
Self-insurance liability	<u>64,076,864</u>	<u>34,205,836</u>	<u>(32,688,156)</u>	<u>65,594,544</u>	<u>10,356,871</u>
Total governmental activities	<u>990,189,296</u>	<u>94,493,249</u>	<u>(154,698,666)</u>	<u>929,983,879</u>	<u>52,914,499</u>
Business-type activities					
General obligations bonds					
2010 Sewer (Limited Tax) Refunding Bonds	<u>19,085,000</u>		<u>(575,000)</u>	<u>18,510,000</u>	<u>600,000</u>
Total general obligations bonds	<u>19,085,000</u>		<u>(575,000)</u>	<u>18,510,000</u>	<u>600,000</u>
Direct Borrowings and Direct Placements					
2016 Sewer General Obligation Refunding Bonds	29,005,375		(5,142,503)	23,862,872	5,289,370
2020 Sewer Revenue Refunding Bonds		<u>2,616,551</u>		<u>2,616,551</u>	
Total direct borrowings and direct placements	<u>29,005,375</u>	<u>2,616,551</u>	<u>(5,142,503)</u>	<u>26,479,423</u>	<u>5,289,370</u>
Unamortized bond premiums and discounts, net	56,833		(2,707)	54,126	
Net pension liability	18,668,785	4,375,484	(3,026,756)	20,017,513	
Compensated absences	1,361,105	1,091,563	(1,043,355)	1,409,313	1,064,972
Postemployment benefits other than pensions	<u>6,301,088</u>	<u>230,128</u>	<u>(2,356,169)</u>	<u>4,175,047</u>	
Total business-type activities	<u>74,478,186</u>	<u>8,313,726</u>	<u>(12,146,490)</u>	<u>70,645,422</u>	<u>6,954,342</u>
Total long-term liabilities	<u>\$ 1,064,667,482</u>	<u>\$ 102,806,975</u>	<u>\$ (166,845,156)</u>	<u>\$ 1,000,629,301</u>	<u>\$ 59,868,841</u>

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020, activity related to the City's unamortized deferred refunding charges was as follows:

	Government Activities	Business-type Activities	Total
Balance June 30, 2019	\$ 21,180,556	\$ 276,073	\$ 21,456,629
Reductions	(878,256)	(13,146)	(891,402)
Balance June 30, 2020	\$ 20,302,300	\$ 262,927	\$ 20,565,227

### Variable Rate Debt

At June 30, 2020, 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, 2020, the entire balance of \$3,497,425 in defeased debt remained outstanding and the carrying value in the trust account is \$11,610,596.

(Continued)

## CITY OF RENO

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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#### New Debt Issued

On December 19, 2019, the City issued the General Obligation (Limited Tax) Medium-Term Fire Apparatus Replacement Program Bond, Series 2019. The bond was issued to fund the first two years of the 10-year Fire Apparatus Replacement Program. The \$6,327,000 bond is payable semi-annually at an interest rate of 1.70% over 10 years, with the first principal payment due June 1, 2020.

On February 26, 2020, the City authorized the issuance of the General Obligation (Limited Tax) Wastewater Reclamation System Bonds (Additionally Secured by Pledged Revenues) Series 2020. These bonds, not to exceed \$55 million, will repay the loan contract described below to fund the expansion of the Reno-Stead Water Reclamation Facility. The bonds will be payable semi-annually over 20 years at an interest rate of 1.42%, with the first principal payment due the first January 1 or July 1 immediately following the date the City completes the project, the date the loan contract is fully drawn upon, or three years from the date of the loan contract, whichever occurs first.

On March 24, 2020, the City entered into a loan contract with the Nevada State Department of Conservation & Natural Resources utilizing the Clean Water Revolving Loan Fund. The loan proceeds will be used to expand the capacity of the Reno-Stead Water Reclamation Facility. The interest-only loan for up to \$55 million is payable semiannually at an interest rate of 1.42%. The loan contract will be repaid in full with the issuance of the General Obligation (Limited Tax) Wastewater Reclamation System Bonds (Additionally Secured by Pledged Revenues) Series 2020, described above. As of June 30, 2020, the City has drawn \$2,616,551 against the loan contract.

#### 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. Rebutable arbitrage is computed as of each installment computation date. As of the most recent date, management believes that there is no rebutable 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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

Outstanding conduit debt obligations at June 30, 2020, were as follows:

<u>Third-party Borrower</u>	<u>Bond Issue</u>	<u>Issuance Date</u>	<u>Original Amount</u>	<u>Balance June 30, 2020</u>
Renown Regional Medical Center (previously known as Washoe Medical Center, Inc.)	2004A/2004C	June 29, 2004	\$ 134,350,000	\$ 15,500,000
Renown Regional Medical Center (previously known as, Washoe Medical Center, Inc.)	2005A/2005B	February 10, 2005	96,025,000	7,095,000
Renown Regional Medical Center (previously known as, Washoe Medical Center, Inc.)	2008A/2008B	June 26, 2008	86,800,000	72,600,000
Renown Regional Medical Center (previously known as, Washoe Medical Center, Inc.)	2009A/2009B	January 15, 2009	<u>63,600,000</u>	<u>60,120,000</u>
			<u>\$ 380,775,000</u>	<u>\$ 155,315,000</u>

#### Custodial Fund 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 (custodial) fund to account for special assessment revenue collections and repayment of the related debt.

Outstanding special assessment debt obligations accounted for in a fiduciary (custodial) fund at June 30, 2020, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2020</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	\$ 150,000
2002 Special Assessment District No. 4 Bonds (Somerset Parkway Project)	December 1, 2014 - December 1, 2022	2.00% - 4.20%	5,535,000	1,105,000
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>1,105,000</u>
			<u>\$ 16,770,622</u>	<u>\$ 2,360,000</u>

(Continued)



# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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### 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, 2020, rent expense totaled \$432,224. 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>	
2021	\$ 432,323
2022	409,041
2023	421,110
2024	433,541
2025	446,345
2026 - 2030	887,195
2031 - 2035	1,267,182
2036 - 2040	1,469,011
2041 - 2045	1,702,987
2046 - 2050	1,974,228
2051 - 2055	<u>875,096</u>
	<u>\$ 10,318,059</u>

#### Other Commitments

Commitments outstanding for construction and construction-related services at June 30, 2020, for the City's non-enterprise funds totaled approximately \$13.6 million. Commitments were \$5.2 million for non-construction related services.

Enterprise fund construction in progress at June 30, 2020, 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 \$66.1 million for City of Reno enterprise fund projects. Of this amount, outstanding non-construction related commitments totaled \$1.6 million for these funds.

In addition to the above, commitments outstanding for construction, construction-related services, and certain non-construction-related services totaled \$3.5 million for the Truckee Meadows Water Reclamation Facility improvements. Of this amount, the City's share is \$2.3 million.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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### **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.

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 \$2,000,000 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).

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.

**CITY OF RENO**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2020**

For the fiscal years ended June 30, 2020, 2019 and 2018, 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, July 1, 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, July 1, 2019	4,109,012	57,678,558
Claims incurred and changes in estimate	1,762,675	5,117,390
Claims paid	(521,952)	(6,433,449)
Claims liability, June 30, 2020	\$ 5,349,735	\$ 56,362,499
Claims liability, due within one year	\$ 611,409	\$ 5,922,259
Claims liability, due in more than one year	\$ 4,738,326	\$ 50,440,240

**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.

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

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

For the fiscal years ended June 30, 2020, 2019 and 2018, changes in unknown claims liability amounts were as follows:

	Self-funded Medical Plan Fund
Claims liability, July 1, 2018	\$ 2,922,566
Claims incurred and changes in estimate	24,470,883
Claims paid	<u>(25,104,155)</u>
Claims liability, July 1, 2019	2,289,294
Claims incurred and changes in estimate	27,325,771
Claims paid	<u>(25,732,755)</u>
Claims liability, June 30, 2020	<u>\$ 3,882,310</u>
Claims liability, due within one year	<u>\$ 3,823,203</u>
Claims liability, due in more than one year	<u>\$ 59,107</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, 2020, 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, 2020, its investment as reported in its sanitary sewer enterprise fund totaled \$89,916,441, which represents 69.5% of TMWRF's net position. The City's share of TMWRF's net costs for the year ended June 30, 2020, was \$5,696,983, 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, 2020, the City of Reno has recorded \$3,470,630 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, 2020

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Commitments outstanding for construction projects and non-construction contracts at TMWRF at June 30, 2020, totaled approximately \$3.1 million and \$370,103, respectively. 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, 2020. The City also provides maintenance services and fuel for the Authority’s vehicles for a fee which totaled \$400,426 during fiscal year 2020.

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, 2020

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### P25 System Joint Operating Committee

On June 23, 2020, the City of Reno became a partner agency in an interlocal agreement that provides for the financing, development, operation and management of the Washoe County Regional Communications P25 System. The P25 System will be part of the Nevada Shared Radio System (NSRS) that includes the State of Nevada Department of Transportation and Nevada Energy and is replacing the current statewide 800MHz System. The P25 System Joint Operating Committee (Committee), which was formed under the provisions of the interlocal agreement, serves as the executive committee. The City Managers of Reno and Sparks, the Washoe County Manager, and the Washoe County School District Superintendent or the designee serve on the Committee. Other partner agencies are entitled to one representative of their own choosing to serve on the Committee.

To fulfill Washoe County's duties under the NSRS agreement, the initial cost of the P25 System will be financed by Washoe County with a combination of cash and the issuance of municipal bonds. The partner agencies will be invoiced for their share of the cost based on the number of radios they utilize, which can be paid in a lump sum or over the life of the bonds issued by Washoe County. Washoe County Technology Services (WCTS) will maintain, operate, and repair the Radio Frequency and Microwave Backbone of the P25 system and will bill the partner and sponsored agencies on a monthly basis for operating costs related to the P25 system based on the number of radios utilized by those agencies. The cost of maintaining the actual radios will be borne by the partner and sponsored agencies.

### Defined Benefit Pension Plans

#### Aggregate Balances

At June 30, 2020, 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	\$ 47,232,365	\$ 120,282	\$ 47,352,647
Net pension liability	249,638,697	214,037	249,852,734
Net unamortized deferred inflows of resources related to pensions	28,680,450	112,865	28,793,315
Pension expense	24,833,853	42,297	24,876,150

#### 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.

(Continued)

## CITY OF RENO

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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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.

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 ten years of service, or at any age with thirty 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, at age 62 with ten years of service, or any age with thirty years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

## CITY OF RENO

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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Police/fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five 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, at age 60 with ten years of service, or at age 50 with twenty years of service, or at any age with thirty years of service. Police/fire members entering the system on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with twenty years of service, or at any age with 33 1/3 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.

Effective July 1, 2019, the required employer/employee match rates increased to 15.25% for regular and 22.00% for police/fire members. The EPC rates also increase to 29.25% for regular and 42.50% for police/fire members.

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.

PERS collective net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

(Continued)



# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

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, 2019
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:

<u>Age</u>	<u>Mortality Rates</u>		<u>Expected Years of Life Remaining</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
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.

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

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 following target asset allocation policy was adopted as of June 30, 2019:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
U.S. stocks	42 %	5.50 %
International stocks	18 %	5.50 %
U.S. bonds	28 %	0.75 %
Private markets	12 %	6.65 %

\* As of June 30, 2019, PERS' long-term inflation assumption was 2.75%.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2019. 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, 2019.

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	\$ 386,535,309	\$ 249,638,697	\$ 135,842,874

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 1.83074% proportionate share of PERS' collective net pension liability at the actuarial valuation date was \$249,638,697. The City's relative contributions for the related fiscal year was used to determine its proportionate share. Contributions for employer pay dates within the fiscal year ended June 30, 2019, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2019.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

For the period ending on the actuarial valuation date, the City's pension expense was \$24,833,853 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	\$ 9,361,166	\$ 7,200,511
Changes of assumptions	10,159,263	
Net difference between projected and actual earnings on investments		12,418,629
Changes in proportion and differences between actual contributions and proportionate share of contributions	8,838,576	9,061,310
Contributions made subsequent to the measurement date	18,873,360	
	\$ 47,232,365	\$ 28,680,450

At June 30, 2019, the average expected remaining service life is 6.18 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the actuarial valuation date totaling \$18,975,716 will be recognized as a reduction of the net pension liability in the year beginning July 1, 2021. 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,			
2021	\$	2,289,418	
2022		(15,424,986)	
2023		4,237,624	
2024		5,249,410	
2025		2,983,314	
Thereafter		343,775	
	\$	(321,445)	

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

Net pension liability, beginning of year	\$	246,776,316	
Pension expense		24,833,853	
Employer contributions		(17,623,869)	
Net change in deferred inflows and outflows of resources		(4,347,603)	
Net pension liability, end of year	\$	249,638,697	

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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At June 30, 2020, accrued salaries and benefits included \$3,076,781 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.

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.

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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

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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.

A JRS 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.

For JRS members entering the system on or after January 1, 2010, and prior to July 1, 2015, the post-retirement increases are the same as paragraph 1 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 benefits 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, 2019, JRS membership consisted of:

Active members	112
Inactive vested members	2
Retired members and beneficiaries	<u>83</u>
	<u><u>197</u></u>

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

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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.

In addition, effective with the January 1, 2009 valuation, assets are valued using five-year smoothing. The Actuarial Value of Assets (AVA) is further limited to not less than 70% or greater than 130% of market value.

For the fiscal years ended June 30, 2019 and 2018, the required employer/employee matching rate was 14.25%.

The JRS net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date using May 31, 2019 census data, except for member status, which is as of 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, 2019
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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

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, 2019:

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 %

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2019 and 2018. The projection of cash flows used to determine the discount rate assumed that contributions will be made monthly at the actuarially determined contribution rates and the payment to amortize the unfunded actuarial liability is assumed to be paid annually, at the end of the year, for Supreme Court justices and district judges and monthly for municipal court judges and justices of the peace. Based on those assumptions, JRS's fiduciary net position at June 30, 2019, was projected to be available to make all projected future benefit payments of current active and inactive JRS 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, 2019.

The City's JRS net pension liability at June 30, 2019, 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	\$ 493,500	\$ 214,037	\$ (23,159)

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.

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2019, the City reported a net pension liability of \$214,037, for the JRS plan. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the period ended June 30, 2019, the City's JRS pension expense was \$42,297 and its reported deferred outflows and inflows of resources related to JRS pensions as of June 30, 2019, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,280	\$ 61,676
Changes of assumptions	438	
Net difference between projected and actual earnings on investments		22,748
Other changes	11,208	28,441
Contributions made subsequent to the measurement date	102,356	
	\$ 120,282	\$ 112,865

At June 30, 2019, the average expected remaining service life is 4.55 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, 2021. 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,		
2021		\$ (28,751)
2022		(43,519)
2023		(21,632)
2024		(1,037)
		\$ (94,939)

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

Net pension liability, beginning of year	\$ 222,961	
Pension expense		42,297
Employer contributions		(89,120)
Change in net deferred inflows and outflows of resources		37,899
Net pension liability, end of year		\$ 214,037

At June 30, 2020, approximately \$9,551 was payable to JRS, for the June 2019 required contribution.

(Continued)



# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

#### Aggregate Balances

At June 30, 2020, 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	\$	\$ 11,569,332	\$ 11,569,332
Net unamortized deferred outflows of resources related to OPEB		3,135,230	3,135,230
Total OPEB liability	3,379,503	176,462,566	179,842,069
Net OPEB liability	3,379,503	164,893,234	168,272,737
Net unamortized deferred inflows of resources related to OPEB		56,597,576	56,597,576
OPEB expense	774,783	3,692,748	4,467,531

#### 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

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

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

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 2020, this subsidy ranged from \$398 to \$766 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.

At June 30, 2020, employees covered by OPEB benefit terms consisted of:

	Public Employee Benefit Program	City of Reno Plan	Aggregate Total
Active members		1,221	1,221
Inactive employees currently receiving benefit payments	139	736	875
Inactive employees entitled to, but not yet receiving benefit payments		3	3
	139	1,960	2,099

#### 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:

	Public Employee Benefit Program	City of Reno Plan
Actuarial valuation date	January 1, 2020	January 1, 2020
Measurement date	June 30, 2020	June 30, 2020
Inflation rate	2.50% per year	2.50% per year
Salary changes	N/A	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	3.51% as of June 30, 2019 2.21% as of June 30, 2020	3.51% as of June 30, 2018 4.50% as of June 30, 2019
Discount rate source	Bond Buyer General Obligation 20-Bond Municipal Bond Index	Bond Buyer General Obligation 20-Bond Municipal Bond Index
Postemployment benefit changes	None	Monthly premium rates are the same for actives and retirees
Actuarial cost method	Entry Age Normal Cost, closed group, level percent of pay	Entry Age Normal Cost, closed group, level percent of pay
Healthcare cost trend rates	5.40%, decreasing to an ultimate rate of 4.80% for 2059 and subsequent years	7.0%, decreasing to an ultimate rate of 4.0% for 2076
Asset valuation method		Market value of assets
Long-term return on assets		7.25% as of June 30, 2020, net of plan investment changes

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

For 2020, the monthly premium rates for retirees were made the same as for active employees for all but the Hartford Plan, which is currently available only to police and fire post-65 retirees.

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 projected to 2020 with Scale MP-2016, set forward 1 year for spouses and beneficiaries

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, 2020, calculated using the discount rate of 4.50%, 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:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Total OPEB liability	\$ 202,014,380	\$ 176,462,566	\$ 155,644,841
Net OPEB liability	\$ 190,445,048	\$ 164,893,234	\$ 144,075,509

The City's total OPEB liability at June 30, 2020, calculated using the healthcare trend rate of 7.00%, decreasing to 4.00% by 2076, 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	\$ 153,126,776	\$ 176,462,566	\$ 205,737,720
Net OPEB liability	\$ 141,557,444	\$ 164,893,234	\$ 194,168,388

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2020, changes in the City's total OPEB liability were as follows:

	Public Employee Benefit Program	City of Reno Plan	Aggregate Total
Service cost	\$	\$ 8,103,033	\$ 8,103,033
Interest on total OPEB liability	95,137	8,335,903	8,431,040
Changes in benefit terms			
Differences between expected and actual experience	187,798	(43,466,542)	(43,278,744)
Changes of assumptions or other inputs	491,848	(22,640,530)	(22,148,682)
Benefit payments	(211,469)	(6,512,741)	(6,724,210)
Net change in total OPEB liability	563,314	(56,180,877)	(55,617,563)
Total OPEB liability, beginning of year	2,816,189	232,643,443	235,459,632
Total OPEB liability, end of year	3,379,503	176,462,566	179,842,069
Net OPEB assets administered through an irrevocable employee benefit trust fund		11,569,332	11,569,332
Net OPEB liability, end of year	\$ 3,379,503	\$ 164,893,234	\$ 168,272,737

For the period ended June 30, 2020, the City's OPEB expense was \$3,692,748 and its reported deferred outflows and inflows of resources related to OPEB as of June 30, 2020, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 35,384,751
Changes of assumptions and other inputs	3,058,722	21,212,019
Differences in investment earnings	76,508	806
	\$ 3,135,230	\$ 56,597,576

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

For the Year Ended June 30,		
2021		\$ (12,026,463)
2022		(10,520,816)
2023		(8,833,457)
2024		(8,863,559)
2025		(3,687,142)
Thereafter		(9,530,909)
		\$ (53,462,346)

(Continued)

# CITY OF RENO

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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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 future payment of OPEB plan obligations and is 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 2020, the City made contributions to the trust fund totaling \$8,046,690. 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, 2020 pursuant to NRS 354.598155, the Special Ad Valorem Capital Projects Fund expended \$257,124 on the following projects:

Machinery and equipment	\$ <u>257,124</u>
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### COVID-19 and CARES Act

In late January 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 pandemic) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally. In addition, on March 12, 2020, the Governor of Nevada declared a state of emergency to protect and preserve public health and safety, which resulted in the closure of substantially all civic, cultural, and recreational facilities in the City effective March 17, 2020.

The full impact of the COVID-19 pandemic continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity, and future results of operations. The City's management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 pandemic and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 pandemic on its results of operations, financial condition, or liquidity for fiscal year 2021 and future years.

In subsequent months, the administrations of the City and the State of Nevada extended emergency declarations and refined emergency orders to allow for a measured expansion of economic and social activities within the City and the state. Municipal facilities, businesses, recreational, cultural, and civic facilities have reopened with some restrictions and new measures designed to preserve the health of patrons and the public. For fiscal year 2019/20, the City experienced these following effects on revenues:

Room tax is down in total by 23.3% from previous years' levels due to fewer tourists and lower room rate because of lower demand. Also, because of the casino closures for part of March into June, room taxes are down more significantly in the downtown room tax districts. The decline among the different categories of room tax ranged between 20.1% and 33.7%.

(Continued)

## CITY OF RENO

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2020

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Consolidated Tax collections are down 1.8 million compared to budget for fiscal year 2019/20, but were actually up 5.24% compared to fiscal year 2018/19 actuals. The lower growth in consolidated tax was due to reductions in tourism and increased unemployment although stimulus dollars are helping to bolster collections more than originally anticipated.

Motor vehicle fuel tax collections were down 5.5% due to less driving by residents and tourists.

Parks and recreation fee revenues are down and expected to remain lower than previous years due to facility closures, restrictions on use of facilities and cancellations of programs and rentals.

Thus far the City has not seen an increase in delinquent sewer accounts over the amount reported for the prior fiscal year. Fees for delinquent sewer account payments were waived for the third and fourth quarters of fiscal year 2019/20, resulting in a 43.5% reduction in late penalty revenue between fiscal years 2018/19 and 2019/20.

Reduction in real property tax collections are not anticipated for fiscal year 2021. Business and homeowners may make appeals to the Board of Equalization for property tax bills beginning in fiscal year 2022.

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The CARES Act, among other things, includes provisions appropriating funds from programs of the United States Department of the Treasury and Department of Education to be used to make payments for specified uses to states and certain local governments. Under the CARES Act, the State of Nevada received \$836 million directly from the Coronavirus Relief Fund (CRF), of which \$148.5 million was committed to local governments with populations less than 500,000. The State allocated \$46,678,013 to the City of Reno. To the extent actual qualified expenditures are less than the amount allocated to the City and/or funds have not been used to cover necessary expenditures pursuant to the State’s terms and conditions by December 30, 2020, the City must return the balance of unspent funds to the State.

Because the State of Nevada specified that the CARES Act allocation could be utilized to reimburse expenditures incurred since the Governor’s state of emergency declaration, the City accrued \$20,432,712 of the allocation received on August 19, 2020, to fiscal year 2019/20 to cover eligible expenditures incurred between March and June.

The City expects to use the remaining funds to help defray the costs of emergency response to the pandemic, as well as provide support to individuals, agencies and businesses affected by the COVID-19 emergency, as directed by the US Treasury Department.

#### **Subsequent Events**

On January 20, 2021, the City received approximately \$7.7 million in funds for the Rental Assistance Program which was made available under the Consolidated Appropriations Act passed on December 27, 2020.

**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, 2020 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 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> 2
2019		<sup>2</sup> 76,343			221,622	(192,534)	105,431	2,710,758	2,816,189		<sup>2</sup> 2
2020		<sup>2</sup> 95,137		187,798	491,848	(211,469)	563,314	2,816,189	3,379,503		<sup>2</sup> 2
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	106,539,966	215.40 %
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 %
2020	8,103,033	8,335,903		(43,466,542)	(22,640,530)	(6,512,741)	(56,180,877)	232,643,443	176,462,566	113,794,793	155.07 %

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

## POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) ACTUARIALLY DETERMINED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS<sup>1</sup>

	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Public Employee Benefit Program					
2018	\$	<sup>2</sup> \$ 211,469	\$ 211,469	\$	<sup>3</sup> 3
2019		<sup>2</sup> 192,534	192,534	<sup>3</sup>	3
2020		<sup>2</sup> 203,156	203,156	<sup>3</sup>	3
City of Reno Plan					
2018	11,798,534	8,886,036	(2,912,498)	106,539,933	8.34057 %
2019	12,790,212	8,857,110	(3,933,102)	110,713,117	8.00005 %
2020	11,584,067	8,046,690	(3,537,377)	113,794,793	7.07123 %

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 funded on a pay-as-you-go basis; and therefore, the actuary did not determine contributions for this plan
3. 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 MEASUREMENT YEAR ENDED JUNE 30, 2019 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Measurement 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 Payroll</u>	<u>Proportion of the Collective Net Pension Liability as a Percentage of Covered 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 %
2019	1.83074 %	249,638,697	101,018,373	247.12207 %	76.45733 %

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for measurement 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 measurement 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, 2020 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 Payroll</u>	<u>Contributions as a Percentage of Covered 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 %
2020	37,737,169	37,737,169		104,227,808	36.20643 %

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 MEASUREMENT YEAR ENDED JUNE 30, 2019 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Measurement 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
2019	222,961	42,297	(89,120)	37,899	214,037

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

# CITY OF RENO

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

For the Measurement Year Ended June 30,	Total Pension Plan Liability	Pension Plan Fiduciary Net Position	Net Pension Plan Liability	Pension Plan Fiduciary Net Position as a Percentage of Total Pension Plan Liability	Pension Plan Covered Payroll	Net Pension Plan Liability as a Percentage of Pension Plan Covered Payroll
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 %
2019	146,303,813	133,658,066	12,645,747	91.35652 %	20,451,176	61.83384 %

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, 2020 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 Payroll</u>	<u>Contributions Made as a Percentage of Covered 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 %
2020	97,150	89,120	(8,030)	346,148	25.74621 %

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, 2020**

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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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Property taxes	\$ 55,762,585	\$ 55,762,585	\$ 56,895,817	\$ 1,133,232
Business licenses, permits, franchise and other fees				
Business licenses and permits				
Business licenses	17,570,800	17,570,800	18,258,106	687,306
City gaming licenses	1,817,000	1,817,000	1,210,573	(606,427)
Liquor licenses	2,063,500	2,063,500	1,710,670	(352,830)
Excavation and encroachment permits			320	320
Franchise fees				
Electricity	10,580,490	10,580,490	10,087,371	(493,119)
Telephone	2,650,000	2,650,000	2,693,005	43,005
Natural gas	3,150,880	3,150,880	3,908,825	757,945
Sanitation	4,492,830	4,492,830	4,898,138	405,308
Sewer	3,626,490	3,626,490	3,996,315	369,825
Cable television	2,642,760	2,642,760	2,330,550	(312,210)
Non-business licenses and permits			7,753	7,753
Intergovernmental shared revenues				
Federal grants	10,841	1,347,236	22,046,454	20,699,218
State grants		570,485	170,314	(400,171)
State shared revenues				
Consolidated taxes	72,542,930	72,868,035	71,946,998	(921,037)
Dedicated sales taxes	1,200,000	3,200,000	3,344,550	144,550
Local government shared revenues				
County gaming licenses	1,687,940	1,687,940	957,176	(730,764)
SCCR (AB104) taxes	4,440,470	4,440,470	4,596,688	156,218
Marijuana	310,579	310,579	305,580	(4,999)
Other	32,000	140,516	156,076	15,560
Charges for services				
General government				
Administrative fees	159,200	159,200	233,918	74,718
TMWA contract payment	57,680	57,680	57,677	(3)
Indirect cost allocations	3,796,191	3,796,191	3,796,191	
Judicial				
Municipal court charges	62,180	62,180	81,702	19,522
Public safety				
Police service charges	795,430	795,430	633,761	(161,669)
Dispatch charges	191,243	191,243	243,056	51,813
Work permits	67,170	67,170	37,219	(29,951)
Fire service charges	1,177,680	1,785,613	1,385,058	(400,555)
Culture and recreation				
Swimming pool fees	407,270	407,270	222,271	(184,999)
Culture and recreation fees	3,265,258	3,364,758	2,993,652	(371,106)
Public works				
Parking receipts	1,199,390	1,199,390	933,978	(265,412)
Community development and support				
Planning fees	638,760	638,760	422,114	(216,646)
Planning application fees	706,280	706,280	499,286	(206,994)
Other	18,775	18,775	7,872	(10,903)
Fines and forfeits				
Court and administrative fees	2,084,566	2,084,566	1,801,783	(282,783)
Delinquent license penalties	500,000	500,000	954,314	454,314
Special assessments				
Downtown police district			321	321
Special assessments districts	2,700,000	2,700,000	2,694,437	(5,563)
Miscellaneous				
Investment income	300,000	300,000	1,390,244	1,090,244
Rents and royalties	608,136	608,136	427,445	(180,691)
Reimbursements and restitutions	393,065	3,151,706	4,690,987	1,539,281

# CITY OF RENO

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance
Private grants and contributions	14,000	182,785	645,932	463,147
Other	<u>10,415</u>	<u>13,155</u>	<u>221,414</u>	<u>208,259</u>
Total revenues	<u>203,734,784</u>	<u>211,712,884</u>	<u>233,895,911</u>	<u>22,183,027</u>
EXPENDITURES				
General government				
City manager				
Salaries and wages	2,883,511	2,971,155	2,500,144	471,011
Employee benefits	1,165,880	1,202,838	1,002,413	200,425
Services and supplies	2,611,358	2,915,232	2,432,915	482,317
Capital outlay			7,500	(7,500)
Total city manager	<u>6,660,749</u>	<u>7,089,225</u>	<u>5,942,972</u>	<u>1,146,253</u>
Finance				
Salaries and wages	1,555,758	1,525,758	1,372,306	153,452
Employee benefits	780,152	780,152	696,977	83,175
Services and supplies	376,404	542,957	526,434	16,523
Total finance	<u>2,712,314</u>	<u>2,848,867</u>	<u>2,595,717</u>	<u>253,150</u>
City attorney				
Salaries and wages	2,889,252	2,889,252	2,810,935	78,317
Employee benefits	1,443,731	1,439,396	1,254,361	185,035
Services and supplies	365,825	369,874	180,082	189,792
Total city attorney	<u>4,698,808</u>	<u>4,698,522</u>	<u>4,245,378</u>	<u>453,144</u>
Human resources				
Salaries and wages	695,164	645,164	587,361	57,803
Employee benefits	431,315	481,315	288,753	192,562
Services and supplies	237,459	346,132	391,717	(45,585)
Total human resources	<u>1,363,938</u>	<u>1,472,611</u>	<u>1,267,831</u>	<u>204,780</u>
Civil service				
Salaries and wages	358,354	318,925	254,988	63,937
Employee benefits	189,934	169,394	141,732	27,662
Services and supplies	135,443	205,412	188,282	17,130
Total civil service	<u>683,731</u>	<u>693,731</u>	<u>585,002</u>	<u>108,729</u>
Communications and technology				
Salaries and wages	2,084,600	2,175,387	1,923,709	251,678
Employee benefits	1,086,956	1,109,981	882,835	227,146
Services and supplies	3,220,150	4,082,308	3,556,169	526,139
Capital outlay		42,341		42,341
Total communications and technology	<u>6,391,706</u>	<u>7,410,017</u>	<u>6,362,713</u>	<u>1,047,304</u>
City council				
Salaries and wages	550,811	550,811	555,314	(4,503)
Employee benefits	409,352	409,352	384,587	24,765
Services and supplies	636,714	627,783	516,663	111,120
Total city council	<u>1,596,877</u>	<u>1,587,946</u>	<u>1,456,564</u>	<u>131,382</u>
City clerk				
Salaries and wages	553,677	538,364	464,601	73,763
Employee benefits	295,492	295,270	246,342	48,928
Services and supplies	425,615	467,161	288,884	178,277
Total city clerk	<u>1,274,784</u>	<u>1,300,795</u>	<u>999,827</u>	<u>300,968</u>
Total general government	<u>25,382,907</u>	<u>27,101,714</u>	<u>23,456,004</u>	<u>3,645,710</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, 2020

	Original Budget	Final Budget	Actual	Variance
Judicial				
Municipal court				
Salaries and wages	4,373,638	4,336,351	4,040,523	295,828
Employee benefits	2,416,263	2,396,638	2,103,474	293,164
Services and supplies	1,047,695	1,360,152	1,291,562	68,590
Total judicial	<u>7,837,596</u>	<u>8,093,141</u>	<u>7,435,559</u>	<u>657,582</u>
Public safety				
Police				
Salaries and wages	46,852,351	49,148,845	47,659,399	1,489,446
Employee benefits	28,196,839	28,550,661	26,387,424	2,163,237
Services and supplies	6,853,386	7,945,381	7,421,032	524,349
Capital outlay	216,000	244,500	201,951	42,549
Total police	<u>82,118,576</u>	<u>85,889,387</u>	<u>81,669,806</u>	<u>4,219,581</u>
Fire				
Salaries and wages	29,351,979	30,959,021	31,412,213	(453,192)
Employee benefits	18,471,954	18,910,661	17,079,847	1,830,814
Services and supplies	2,957,825	3,456,047	3,160,127	295,920
Capital outlay	285,000	291,211	33,158	258,053
Total fire	<u>51,066,758</u>	<u>53,616,940</u>	<u>51,685,345</u>	<u>1,931,595</u>
Total public safety	<u>133,185,334</u>	<u>139,506,327</u>	<u>133,355,151</u>	<u>6,151,176</u>
Public works				
Various				
Salaries and wages	3,013,031	2,984,340	2,868,915	115,425
Employee benefits	1,549,472	1,525,541	1,352,298	173,243
Services and supplies	2,004,491	2,190,153	1,835,067	355,086
Capital outlay	7,000	7,000	7,064	(64)
Total public works	<u>6,573,994</u>	<u>6,707,034</u>	<u>6,063,344</u>	<u>643,690</u>
Culture and recreation				
Parks and recreation				
Salaries and wages	6,622,678	6,545,665	5,759,566	786,099
Employee benefits	2,740,996	2,725,457	2,207,670	517,787
Services and supplies	2,186,408	2,487,737	2,021,830	465,907
Capital outlay	91,000	103,599	48,391	55,208
Total culture and recreation	<u>11,641,082</u>	<u>11,862,458</u>	<u>10,037,457</u>	<u>1,825,001</u>
Planning and community development				
Various				
Salaries and wages	3,395,045	3,339,102	3,233,504	105,598
Employee benefits	1,846,459	1,847,111	1,569,149	277,962
Services and supplies	1,332,485	1,803,832	1,165,903	637,929
Capital outlay	30,000	30,000		30,000
Total planning and community development	<u>6,603,989</u>	<u>7,020,045</u>	<u>5,968,556</u>	<u>1,051,489</u>
Other				
Retired employees trust				
Employee benefits	7,206,629	7,206,629	7,022,839	183,790

# CITY OF RENO

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Various				
Employee benefits			338,927	(338,927)
Services and supplies	6,348,339	6,888,339	6,227,023	661,316
Total various	<u>6,348,339</u>	<u>6,888,339</u>	<u>6,565,950</u>	<u>322,389</u>
Total other	<u>13,554,968</u>	<u>14,094,968</u>	<u>13,588,789</u>	<u>506,179</u>
Debt service				
Principal payments	534,486	534,486	488,821	45,665
Interest expense and fiscal charges	2,539	3,884	1,344	2,540
Total debt service	<u>537,025</u>	<u>538,370</u>	<u>490,165</u>	<u>48,205</u>
Total expenditures	<u>205,316,895</u>	<u>214,924,057</u>	<u>200,395,025</u>	<u>14,529,032</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,582,111)</u>	<u>(3,211,173)</u>	<u>33,500,886</u>	<u>36,712,059</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			723	723
Transfers in	2,626,624	2,626,624	2,626,624	
Transfers out	(2,907,287)	(8,855,414)	(8,855,414)	
Contingencies	(1,500,000)			
Total other financing sources (uses)	<u>(1,780,663)</u>	<u>(6,228,790)</u>	<u>(6,228,067)</u>	<u>723</u>
CHANGE IN FUND BALANCE	(3,362,774)	(9,439,963)	27,272,819	36,712,782
FUND BALANCE, BEGINNING OF YEAR	<u>23,966,460</u>	<u>32,520,451</u>	<u>32,520,450</u>	<u>(1)</u>
FUND BALANCE, END OF YEAR	<u>\$ 20,603,686</u>	<u>\$ 23,080,488</u>	<u>\$ 59,793,269</u>	<u>\$ 36,712,781</u>

# **CITY OF RENO**

## **MAJOR SPECIAL REVENUE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 17,535,593	\$ 17,535,592	\$ 17,689,725	\$ 154,133
Business licenses, permits, franchise and other fees				
Business licenses and permits				
Excavation and encroachment permits	638,839	638,839	525,792	(113,047)
Other			7,545	7,545
Franchise fees				
Water	2,980,000	2,980,000	3,016,276	36,276
Intergovernmental shared revenues				
Federal grants			9,622	9,622
State shared revenues				
Motor vehicle fuel taxes	7,100,000	7,100,000	6,718,549	(381,451)
Other			76,440	76,440
Charges for services				
Public works				
Other			14,715	14,715
Fines and forfeits				
Street patching penalties	1,000	1,000	15,514	14,514
Miscellaneous				
Investment income	150,000	150,000	1,209,836	1,059,836
Reimbursements and restitutions		72,909	62,947	(9,962)
Private grants and contributions			10,000	10,000
Other	<u>7,000</u>	<u>42,446</u>	<u>537,083</u>	<u>494,637</u>
Total revenues	<u>28,412,432</u>	<u>28,520,786</u>	<u>29,894,044</u>	<u>1,373,258</u>
<b>EXPENDITURES</b>				
Public works				
Various				
Salaries and wages	5,255,190	5,281,466	4,733,458	548,008
Employee benefits	3,359,241	3,368,698	2,712,474	656,224
Services and supplies	7,193,669	8,156,422	10,167,613	(2,011,191)
Capital outlay	<u>15,063,000</u>	<u>22,546,457</u>	<u>9,675,516</u>	<u>12,870,941</u>
Total expenditures	<u>30,871,100</u>	<u>39,353,043</u>	<u>27,289,061</u>	<u>12,063,982</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,458,668)</u>	<u>(10,832,257)</u>	<u>2,604,983</u>	<u>13,437,240</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		143,217	143,217	
Transfers out	<u>(90,000)</u>	<u>(90,000)</u>	<u>(90,000)</u>	
Total other financing sources (uses)	<u>(90,000)</u>	<u>53,217</u>	<u>53,217</u>	
CHANGE IN FUND BALANCE	(2,548,668)	(10,779,040)	2,658,200	13,437,240
FUND BALANCE, BEGINNING OF YEAR	<u>12,425,619</u>	<u>26,176,864</u>	<u>26,176,864</u>	
FUND BALANCE, END OF YEAR	<u>\$ 9,876,951</u>	<u>\$ 15,397,824</u>	<u>\$ 28,835,064</u>	<u>\$ 13,437,240</u>

# CITY OF RENO

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2020

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

For the year ended June 30, 2020, 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, 2020, \$11,569,332 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, 2019.

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, 2020, 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, 2019.

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.

# CITY OF RENO

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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### **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.



**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND  
SCHEDULES**



# **MAJOR GOVERNMENTAL FUNDS**





# **DEBT SERVICE FUNDS**



# **CITY OF RENO**

## **MAJOR DEBT SERVICE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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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.

Cabela's

Accounts for the accumulation of resources for payment of bonds issued to build the public infrastructure and museum for the Cabela's retail store.



# CITY OF RENO

## CABELA'S DEBT SERVICE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
State shared revenues				
Dedicated sales taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,308,375	\$ 8,375
Miscellaneous				
Investment income	<u>8,025</u>	<u>8,025</u>	<u>13,146</u>	<u>5,121</u>
Total revenues	<u>1,308,025</u>	<u>1,308,025</u>	<u>1,321,521</u>	<u>13,496</u>
EXPENDITURES				
Debt service				
Principal payments	725,000	1,965,000	1,965,000	
Interest expense and fiscal charges	733,750	1,333,513	1,225,300	108,213
Administrative and other costs	<u>10,500</u>	<u>10,500</u>	<u>3,300</u>	<u>7,200</u>
Total expenditures	<u>1,469,250</u>	<u>3,309,013</u>	<u>3,193,600</u>	<u>115,413</u>
CHANGE IN FUND BALANCE	(161,225)	(2,000,988)	(1,872,079)	128,909
FUND BALANCE, BEGINNING OF YEAR	<u>(6,276,381)</u>	<u>(6,563,273)</u>	<u>(6,563,274)</u>	<u>(1)</u>
FUND BALANCE, END OF YEAR	<u>\$ (6,437,606)</u>	<u>\$ (8,564,261)</u>	<u>\$ (8,435,353)</u>	<u>\$ 128,908</u>



**NON-MAJOR  
GOVERNMENTAL FUNDS**





# CITY OF RENO

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Non-major Governmental Funds
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 11,306,292	\$ 31,312,766	\$ 39,284,027	\$ 81,903,085
Accounts receivable, net	405,047	34,761	16,684	456,492
Interest receivable	34,640	43,014	174,951	252,605
Taxes receivable	15,717	9,540		25,257
Special assessments receivable		9,176,802		9,176,802
Due from other governments	2,354,400	3,171,534	238,456	5,764,390
Prepaid items	117,937	964,514		1,082,451
Property held for sale	1,041,209			1,041,209
Notes receivable, net			908,158	908,158
<b>Total assets</b>	<b>\$ 15,275,242</b>	<b>\$ 44,712,931</b>	<b>\$ 40,622,276</b>	<b>\$ 100,610,449</b>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 843,149	\$ 33,552	\$ 1,185,685	\$ 2,062,386
Accrued salaries and benefits	15,258			15,258
Contracts payable	158,656		793,930	952,586
Due to other governments	224,675	74		224,749
Deposits	75,152	15,401	8,000	98,553
Due to other funds	720,000			720,000
Advances from other funds		87,295		87,295
Interest payable	37,774			37,774
<b>Total liabilities</b>	<b>2,074,664</b>	<b>136,322</b>	<b>1,987,615</b>	<b>4,198,601</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, property taxes	15,717	9,540		25,257
Unavailable revenue, special assessments		7,741,669		7,741,669
Unavailable revenue, other	26,406	22,865		49,271
<b>Total deferred inflows of resources</b>	<b>42,123</b>	<b>7,774,074</b>	<b></b>	<b>7,816,197</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>2,116,787</b>	<b>7,910,396</b>	<b>1,987,615</b>	<b>12,014,798</b>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	117,937	964,514		1,082,451
Restricted for				
Debt service		35,838,021		35,838,021
Capital improvement projects	430,573		13,417,022	13,847,595
Fire, police and other public safety programs	728,203			728,203
Cultural, community and development programs	1,843,389			1,843,389
Other government programs	3,085,683			3,085,683
Assigned to				
Capital improvement projects			25,217,639	25,217,639
Fire, police and other public safety programs	106,030			106,030
Self-insurance liabilities	4,097,780			4,097,780
Other government programs	2,748,860			2,748,860
<b>Total fund balances</b>	<b>13,158,455</b>	<b>36,802,535</b>	<b>38,634,661</b>	<b>88,595,651</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 15,275,242</b>	<b>\$ 44,712,931</b>	<b>\$ 40,622,276</b>	<b>\$ 100,610,449</b>

# CITY OF RENO

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Non-major Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 3,791,631	\$ 7,381,504	\$ 2,291,621	\$ 13,464,756
Business licenses, permits, franchise and other fees	191,490			191,490
Intergovernmental shared revenues	7,168,196	11,446,253	829,822	19,444,271
Charges for services	72,948	35,100	1,067,103	1,175,151
Fines and forfeitures		8,046	146,666	154,712
Special assessments		1,756,163		1,756,163
Miscellaneous	2,220,175	2,521,838	8,829,555	13,571,568
<b>Total revenues</b>	<b>13,444,440</b>	<b>23,148,904</b>	<b>13,164,767</b>	<b>49,758,111</b>
<b>EXPENDITURES</b>				
Current				
General government	1,377,613		435,464	1,813,077
Judicial	142,008			142,008
Public safety	237,152		158,217	395,369
Public works			330,942	330,942
Culture and recreation			144,153	144,153
Planning and community development	6,515,437		49,533	6,564,970
Urban redevelopment	2,053,273			2,053,273
<b>Total current</b>	<b>10,325,483</b>		<b>1,118,309</b>	<b>11,443,792</b>
Capital outlay				
General government	55,630		107,089	162,719
Public safety	152,676		8,278,435	8,431,111
Public works			7,358,907	7,358,907
Culture and recreation			2,823,184	2,823,184
Planning and community development	1,046,197			1,046,197
Urban redevelopment	3,971			3,971
<b>Total capital outlay</b>	<b>1,258,474</b>		<b>18,567,615</b>	<b>19,826,089</b>
Debt service				
Principal payments		11,929,120		11,929,120
Interest expense and fiscal charges		14,669,687		14,669,687
Debt issuance costs		70,000		70,000
Administrative and other costs		105,256		105,256
<b>Total debt service</b>		<b>26,774,063</b>		<b>26,774,063</b>
<b>Total expenditures</b>	<b>11,583,957</b>	<b>26,774,063</b>	<b>19,685,924</b>	<b>58,043,944</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,860,483</b>	<b>(3,625,159)</b>	<b>(6,521,157)</b>	<b>(8,285,833)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt		6,327,000		6,327,000
Proceeds from capital asset disposal	434		2,190,342	2,190,776
Transfers in	152,000	2,096,689	13,175,443	15,424,132
Transfers out	(2,640,624)	(6,216,718)	(279,217)	(9,136,559)
<b>Total other financing sources (uses)</b>	<b>(2,488,190)</b>	<b>2,206,971</b>	<b>15,086,568</b>	<b>14,805,349</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(627,707)</b>	<b>(1,418,188)</b>	<b>8,565,411</b>	<b>6,519,516</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>13,786,162</b>	<b>38,220,723</b>	<b>30,069,250</b>	<b>82,076,135</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 13,158,455</b>	<b>\$ 36,802,535</b>	<b>\$ 38,634,661</b>	<b>\$ 88,595,651</b>

# **SPECIAL REVENUE FUNDS**



# CITY OF RENO

## NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

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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.

### Performance Deposits

Accounts for refundable performance and other deposits.



# CITY OF RENO

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2020

	HUD and State Housing Grants	Community Assistance Center	Stabilization	Room Tax	Courts
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 375,699	\$ 6,368	\$ 3,075,080	\$ 1,189,477	\$ 1,068,286
Accounts receivable, net	43,695	64,136			
Interest receivable	18		10,603	3,108	3,647
Taxes receivable					
Due from other governments	603,135	1,561,816		127,275	331
Prepaid items	1,545	1,140		50,000	65,252
Property held for sale					
<b>Total assets</b>	<b><u>\$ 1,024,092</u></b>	<b><u>\$ 1,633,460</u></b>	<b><u>\$ 3,085,683</u></b>	<b><u>\$ 1,369,860</u></b>	<b><u>\$ 1,137,516</u></b>
<b>LIABILITIES</b>					
Accounts payable and other accrued liabilities	\$ 162,031	\$ 565,703		\$ 40,196	\$ 952
Accrued salaries and benefits	10,689	4,569			
Contracts payable	154,409			4,247	
Due to other governments				190,059	34,616
Deposits					52
Due to other funds	195,000	525,000			
Interest payable					
<b>Total liabilities</b>	<b><u>522,129</u></b>	<b><u>1,095,272</u></b>		<b><u>234,502</u></b>	<b><u>35,620</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue, property taxes					
Unavailable revenue, other		25,630			
<b>Total deferred inflows of resources</b>		<b><u>25,630</u></b>			
<b>Total liabilities and deferred inflows of resources</b>	<b><u>522,129</u></b>	<b><u>1,120,902</u></b>		<b><u>234,502</u></b>	<b><u>35,620</u></b>
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid items	1,545	1,140		50,000	65,252
Restricted for					
Capital improvement projects					430,573
Fire, police and other public safety programs					
Cultural, community and development programs	500,418	301,762			
Other government programs			3,085,683		
Assigned to					
Fire, police and other public safety programs					
Self-insurance liabilities					
Other government programs		209,656		1,085,358	606,071
<b>Total fund balances</b>	<b><u>501,963</u></b>	<b><u>512,558</u></b>	<b><u>3,085,683</u></b>	<b><u>1,135,358</u></b>	<b><u>1,101,896</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 1,024,092</u></b>	<b><u>\$ 1,633,460</u></b>	<b><u>\$ 3,085,683</u></b>	<b><u>\$ 1,369,860</u></b>	<b><u>\$ 1,137,516</u></b>

(Continued)

# CITY OF RENO

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2020

	Drug Forfeiture	Redevelopment Agency	Drainage Facility Impact Fee	Performance Deposits	Total Special Revenue Funds
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 875,368	\$ 561,909	\$ 26,710	\$ 4,127,395	\$ 11,306,292
Accounts receivable, net		297,216			405,047
Interest receivable		1,913	592	14,759	34,640
Taxes receivable		15,717			15,717
Due from other governments		61,843			2,354,400
Prepaid items					117,937
Property held for sale		1,041,209			1,041,209
	<u>\$ 875,368</u>	<u>\$ 1,979,807</u>	<u>\$ 27,302</u>	<u>\$ 4,142,154</u>	<u>\$ 15,275,242</u>
<b>Total assets</b>					
<b>LIABILITIES</b>					
Accounts payable and other accrued liabilities	\$ 41,135	\$ 379	\$ 26,153	\$ 6,600	\$ 843,149
Accrued salaries and benefits					15,258
Contracts payable					158,656
Due to other governments					224,675
Deposits		75,100			75,152
Due to other funds					720,000
Interest payable				37,774	37,774
	<u>41,135</u>	<u>75,479</u>	<u>26,153</u>	<u>44,374</u>	<u>2,074,664</u>
<b>Total liabilities</b>					
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue, property taxes		15,717			15,717
Unavailable revenue, other		776			26,406
	<u></u>	<u>16,493</u>	<u></u>	<u></u>	<u>42,123</u>
<b>Total deferred inflows of resources</b>					
<b>Total liabilities and deferred inflows of resources</b>	<u>41,135</u>	<u>91,972</u>	<u>26,153</u>	<u>44,374</u>	<u>2,116,787</u>
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid items					117,937
Restricted for					
Capital improvement projects					430,573
Fire, police and other public safety programs	728,203				728,203
Cultural, community and development programs		1,041,209			1,843,389
Other government programs					3,085,683
Assigned to					
Fire, police and other public safety programs	106,030				106,030
Self-insurance liabilities				4,097,780	4,097,780
Other government programs		846,626	1,149		2,748,860
	<u>834,233</u>	<u>1,887,835</u>	<u>1,149</u>	<u>4,097,780</u>	<u>13,158,455</u>
<b>Total fund balances</b>					
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 875,368</u>	<u>\$ 1,979,807</u>	<u>\$ 27,302</u>	<u>\$ 4,142,154</u>	<u>\$ 15,275,242</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, 2020

	HUD and State Housing Grants	Community Assistance Center	Stabilization	Room Tax	Courts
<b>REVENUES</b>					
Taxes	\$	\$	\$	\$ 2,243,084	\$
Business licenses, permits, franchise and other fees					191,490
Intergovernmental shared revenues	3,788,342	3,049,278	39,843	4,000	
Charges for services					
Miscellaneous	<u>324,199</u>	<u>303,010</u>	<u>111,333</u>	<u>47,040</u>	<u>103,608</u>
Total revenues	<u>4,112,541</u>	<u>3,352,288</u>	<u>151,176</u>	<u>2,294,124</u>	<u>295,098</u>
<b>EXPENDITURES</b>					
Current					
General government				790,000	
Judicial					142,008
Public safety					
Planning and community development	2,875,563	3,564,881			
Urban redevelopment					
Total current	<u>2,875,563</u>	<u>3,564,881</u>	<u></u>	<u>790,000</u>	<u>142,008</u>
Capital outlay					
General government				55,630	
Public safety					
Planning and community development	966,946	79,251			
Urban redevelopment					
Total capital outlay	<u>966,946</u>	<u>79,251</u>	<u></u>	<u>55,630</u>	<u></u>
Total expenditures	<u>3,842,509</u>	<u>3,644,132</u>	<u></u>	<u>845,630</u>	<u>142,008</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>270,032</u>	<u>(291,844)</u>	<u>151,176</u>	<u>1,448,494</u>	<u>153,090</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from capital asset disposal					
Transfers in		145,000		7,000	
Transfers out				(2,490,624)	
Total other financing sources (uses)		<u>145,000</u>		<u>(2,483,624)</u>	
CHANGE IN FUND BALANCE	270,032	(146,844)	151,176	(1,035,130)	153,090
FUND BALANCE, BEGINNING OF YEAR	<u>231,931</u>	<u>659,402</u>	<u>2,934,507</u>	<u>2,170,488</u>	<u>948,806</u>
FUND BALANCE, END OF YEAR	<u>\$ 501,963</u>	<u>\$ 512,558</u>	<u>\$ 3,085,683</u>	<u>\$ 1,135,358</u>	<u>\$ 1,101,896</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, 2020

	<u>Drug Forfeiture</u>	<u>Redevelopment Agency</u>	<u>Drainage Facility Impact Fee</u>	<u>Performance Deposits</u>	<u>Total Special Revenue Funds</u>
<b>REVENUES</b>					
Taxes	\$	\$ 1,548,547	\$	\$	\$ 3,791,631
Business licenses, permits, franchise and other fees					191,490
Intergovernmental shared revenues	158,709	128,024			7,168,196
Charges for services			72,948		72,948
Miscellaneous		847,848	(290)	483,427	2,220,175
<b>Total revenues</b>	<u>158,709</u>	<u>2,524,419</u>	<u>72,658</u>	<u>483,427</u>	<u>13,444,440</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government				587,613	1,377,613
Judicial					142,008
Public safety	237,152				237,152
Planning and community development			74,993		6,515,437
Urban redevelopment		2,053,273			2,053,273
<b>Total current</b>	<u>237,152</u>	<u>2,053,273</u>	<u>74,993</u>	<u>587,613</u>	<u>10,325,483</u>
<b>Capital outlay</b>					
General government					55,630
Public safety	152,676				152,676
Planning and community development					1,046,197
Urban redevelopment		3,971			3,971
<b>Total capital outlay</b>	<u>152,676</u>	<u>3,971</u>			<u>1,258,474</u>
<b>Total expenditures</b>	<u>389,828</u>	<u>2,057,244</u>	<u>74,993</u>	<u>587,613</u>	<u>11,583,957</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(231,119)</u>	<u>467,175</u>	<u>(2,335)</u>	<u>(104,186)</u>	<u>1,860,483</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from capital asset disposal	434				434
Transfers in					152,000
Transfers out		(150,000)			(2,640,624)
<b>Total other financing sources (uses)</b>	<u>434</u>	<u>(150,000)</u>			<u>(2,488,190)</u>
<b>CHANGE IN FUND BALANCE</b>	(230,685)	317,175	(2,335)	(104,186)	(627,707)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,064,918</u>	<u>1,570,660</u>	<u>3,484</u>	<u>4,201,966</u>	<u>13,786,162</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 834,233</u>	<u>\$ 1,887,835</u>	<u>\$ 1,149</u>	<u>\$ 4,097,780</u>	<u>\$ 13,158,455</u>

# 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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental shared revenues				
Federal grants	\$ 3,485,419	\$ 3,485,419	\$ 3,173,790	\$ (311,629)
State grants	1,228,415	1,228,415	614,552	(613,863)
Miscellaneous				
Investment income			142	142
Loan payments	<u>220,000</u>	<u>220,000</u>	<u>324,057</u>	<u>104,057</u>
Total revenues	<u>4,933,834</u>	<u>4,933,834</u>	<u>4,112,541</u>	<u>(821,293)</u>
EXPENDITURES				
Planning and community development				
Various				
Salaries and wages	324,373	324,373	271,245	53,128
Employee benefits	196,656	196,656	143,604	53,052
Services and supplies	4,412,805	4,448,471	2,460,714	1,987,757
Capital outlay		<u>196,265</u>	<u>966,946</u>	<u>(770,681)</u>
Total expenditures	<u>4,933,834</u>	<u>5,165,765</u>	<u>3,842,509</u>	<u>1,323,256</u>
CHANGE IN FUND BALANCE		(231,931)	270,032	501,963
FUND BALANCE, BEGINNING OF YEAR		<u>231,931</u>	<u>231,931</u>	
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$ 501,963</u>	<u>\$ 501,963</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental shared revenues				
Federal grants	\$ 408,059	\$ 408,059	\$ 449,204	\$ 41,145
Other	2,695,599	2,695,599	2,600,074	(95,525)
Miscellaneous				
Investment income	3,000	3,000	2,997	(3)
Rents and royalties	25,005	25,005	30,399	5,394
Reimbursements and restitutions	150,000	150,000	269,134	119,134
Other			480	480
Total revenues	<u>3,281,663</u>	<u>3,281,663</u>	<u>3,352,288</u>	<u>70,625</u>
EXPENDITURES				
Planning and community development				
Various				
Salaries and wages	101,873	101,879	91,247	10,632
Employee benefits	68,696	68,696	50,796	17,900
Services and supplies	3,203,500	3,180,702	3,422,838	(242,136)
Capital outlay		117,798	79,251	38,547
Total planning and community development	<u>3,374,069</u>	<u>3,469,075</u>	<u>3,644,132</u>	<u>(175,057)</u>
Total expenditures	<u>3,374,069</u>	<u>3,469,075</u>	<u>3,644,132</u>	<u>(175,057)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(92,406)</u>	<u>(187,412)</u>	<u>(291,844)</u>	<u>(104,432)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>50,000</u>	<u>145,000</u>	<u>145,000</u>	
CHANGE IN FUND BALANCE	(42,406)	(42,412)	(146,844)	(104,432)
FUND BALANCE, BEGINNING OF YEAR	<u>943,801</u>	<u>943,801</u>	<u>659,402</u>	<u>(284,399)</u>
FUND BALANCE, END OF YEAR	<u>\$ 901,395</u>	<u>\$ 901,389</u>	<u>\$ 512,558</u>	<u>\$ (388,831)</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, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Federal grants	\$	\$	\$ 39,843	\$ 39,843
Miscellaneous				
Investment income			111,333	111,333
Total revenues			151,176	151,176
EXPENDITURES				
General government				
Other				
Services and supplies		2,934,507		2,934,507
CHANGE IN FUND BALANCE		(2,934,507)	151,176	3,085,683
FUND BALANCE, BEGINNING OF YEAR		2,934,507	2,934,507	
FUND BALANCE, END OF YEAR	\$	\$	\$ 3,085,683	\$ 3,085,683

# 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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Room and construction taxes	\$ 3,000,000	\$ 3,000,000	\$ 2,243,084	\$ (756,916)
State grants			4,000	4,000
Miscellaneous				
Investment income		23,206	38,340	15,134
Private grants and contributions			8,700	8,700
Total revenues	<u>3,000,000</u>	<u>3,023,206</u>	<u>2,294,124</u>	<u>(729,082)</u>
EXPENDITURES				
General government				
City manager				
Services and supplies	721,174	873,441	790,000	83,441
Capital outlay	50,000	804,072	55,630	748,442
Total expenditures	<u>771,174</u>	<u>1,677,513</u>	<u>845,630</u>	<u>831,883</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,228,826</u>	<u>1,345,693</u>	<u>1,448,494</u>	<u>102,801</u>
OTHER FINANCING USES				
Transfers in		7,000	7,000	
Transfers out	(2,933,624)	(2,933,624)	(2,490,624)	443,000
Total other financing uses	<u>(2,933,624)</u>	<u>(2,926,624)</u>	<u>(2,483,624)</u>	<u>443,000</u>
CHANGE IN FUND BALANCE	(704,798)	(1,580,931)	(1,035,130)	545,801
FUND BALANCE, BEGINNING OF YEAR	<u>1,294,354</u>	<u>2,170,487</u>	<u>2,170,488</u>	<u>1</u>
FUND BALANCE, END OF YEAR	<u>\$ 589,556</u>	<u>\$ 589,556</u>	<u>\$ 1,135,358</u>	<u>\$ 545,802</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, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Business licenses, permits, franchise and other fees				
Other	\$ 208,550	\$ 208,550	\$ 191,490	\$ (17,060)
Miscellaneous				
Investment income	3,000	3,000	37,712	34,712
Court administrative charges	80,629	80,629	65,896	(14,733)
Total revenues	292,179	292,179	295,098	2,919
EXPENDITURES				
Judicial				
Municipal court				
Services and supplies	292,179	1,240,984	142,008	1,098,976
CHANGE IN FUND BALANCE		(948,805)	153,090	1,101,895
FUND BALANCE, BEGINNING OF YEAR		948,805	948,806	1
FUND BALANCE, END OF YEAR	\$	\$	\$ 1,101,896	\$ 1,101,896

# 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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Federal grants	\$ 100,000	\$ 170,455	\$ 158,709	\$ (11,746)
EXPENDITURES				
General government				
City attorney				
Services and supplies		85,311		85,311
Public safety				
Police				
Services and supplies	100,000	1,005,062	237,152	767,910
Capital outlay		145,000	152,676	(7,676)
Total public safety	100,000	1,150,062	389,828	760,234
Total expenditures	100,000	1,235,373	389,828	845,545
DEFICIENCY OF REVENUES UNDER EXPENDITURES		(1,064,918)	(231,119)	833,799
OTHER FINANCING USES				
Proceeds from capital asset disposal			434	434
CHANGE IN FUND BALANCE		(1,064,918)	(230,685)	834,233
FUND BALANCE, BEGINNING OF YEAR		1,064,918	1,064,918	
FUND BALANCE, END OF YEAR	\$	\$	\$ 834,233	\$ 834,233



# 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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Property taxes	\$ 882,454	\$ 882,454	\$ 1,548,547	\$ 666,093
Intergovernmental shared revenues				
State shared revenues				
Motor vehicle fuel taxes	128,024	128,024	128,024	
Miscellaneous				
Investment income	1,000	1,000	25,683	24,683
Rents and royalties	711,000	711,000	822,165	111,165
Other	<u>100,000</u>	<u>100,000</u>		<u>(100,000)</u>
Total revenues	<u>1,822,478</u>	<u>1,822,478</u>	<u>2,524,419</u>	<u>701,941</u>
EXPENDITURES				
Urban redevelopment				
Various				
Services and supplies	2,109,014	2,109,014	2,053,273	55,741
Capital outlay			3,971	<u>(3,971)</u>
Total expenditures	<u>2,109,014</u>	<u>2,109,014</u>	<u>2,057,244</u>	<u>51,770</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(286,536)</u>	<u>(286,536)</u>	<u>467,175</u>	<u>753,711</u>
OTHER FINANCING USES				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	
CHANGE IN FUND BALANCE	(436,536)	(436,536)	317,175	753,711
FUND BALANCE, BEGINNING OF YEAR	<u>1,823,614</u>	<u>1,823,614</u>	<u>1,570,660</u>	<u>(252,954)</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,387,078</u>	<u>\$ 1,387,078</u>	<u>\$ 1,887,835</u>	<u>\$ 500,757</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, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services				
Public works				
Engineering fees	\$ 75,000	\$ 300,000	\$ 72,948	\$ (227,052)
Miscellaneous				
Investment income			(290)	(290)
Total revenues	75,000	300,000	72,658	(227,342)
EXPENDITURES				
Planning and community development				
Various				
Services and supplies	75,000	303,484	74,993	228,491
CHANGE IN FUND BALANCE		(3,484)	(2,335)	1,149
FUND BALANCE, BEGINNING OF YEAR		3,484	3,484	
FUND BALANCE, END OF YEAR	\$	\$	\$ 1,149	\$ 1,149

# CITY OF RENO

## PERFORMANCE DEPOSITS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Miscellaneous				
Investment income	\$	\$ 60,000	\$ 43,127	\$ (16,873)
Other		450,000	440,300	(9,700)
Total revenues		510,000	483,427	(26,573)
EXPENDITURES				
General government				
City manager				
Services and supplies		695,230	587,613	107,617
DEFICIENCY OF REVENUES UNDER EXPENDITURES		(185,230)	(104,186)	81,044
OTHER FINANCING SOURCES				
Transfers in		185,230		(185,230)
CHANGE IN FUND BALANCE			(104,186)	(104,186)
FUND BALANCE, BEGINNING OF YEAR			4,201,966	4,201,966
FUND BALANCE, END OF YEAR	\$	\$	\$ 4,097,780	\$ 4,097,780



# **DEBT SERVICE FUNDS**



# CITY OF RENO

## NON-MAJOR DEBT SERVICE FUNDS FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

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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.

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

## NON-MAJOR DEBT SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 2020

	Special Assessment Districts	Redevelopment Agency	Railroad	Downtown Events Center	City of Reno	Total Debt Service Funds
<b>ASSETS</b>						
Cash, cash equivalents and investments	\$ 2,579,542	\$ 3,944,115	\$ 18,525,616	\$ 3,234,769	\$ 3,028,724	\$ 31,312,766
Accounts receivable, net					34,761	34,761
Interest receivable	9,074	2,407	8,893	15,721	6,919	43,014
Taxes receivable		9,540				9,540
Special assessments receivable	1,425,604		4,559,165	3,192,033		9,176,802
Due from other governments		15,746	2,721,014	434,774		3,171,534
Prepaid items			505,572	458,942		964,514
<b>Total assets</b>	<b><u>\$ 4,014,220</u></b>	<b><u>\$ 3,971,808</u></b>	<b><u>\$ 26,320,260</u></b>	<b><u>\$ 7,336,239</u></b>	<b><u>\$ 3,070,404</u></b>	<b><u>\$ 44,712,931</u></b>
<b>LIABILITIES</b>						
Accounts payable and other accrued liabilities	\$ 2,312	\$ 5,059	\$ 1,824	\$ 48	\$ 24,309	\$ 33,552
Due to other governments	74					74
Deposits	13,101		2,300			15,401
Advances from other funds	87,295					87,295
<b>Total liabilities</b>	<b><u>102,782</u></b>	<b><u>5,059</u></b>	<b><u>4,124</u></b>	<b><u>48</u></b>	<b><u>24,309</u></b>	<b><u>136,322</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue, property taxes		9,540				9,540
Unavailable revenue, special assessments	1,322,465		3,717,420	2,701,784		7,741,669
Unavailable revenue, other					22,865	22,865
<b>Total deferred inflows of resources</b>	<b><u>1,322,465</u></b>	<b><u>9,540</u></b>	<b><u>3,717,420</u></b>	<b><u>2,701,784</u></b>	<b><u>22,865</u></b>	<b><u>7,774,074</u></b>
<b>Total liabilities and deferred inflows of resources</b>	<b><u>1,425,247</u></b>	<b><u>14,599</u></b>	<b><u>3,721,544</u></b>	<b><u>2,701,832</u></b>	<b><u>47,174</u></b>	<b><u>7,910,396</u></b>
<b>FUND BALANCES</b>						
Prepaid items			505,572	458,942		964,514
Restricted for						
Debt service	2,588,973	3,957,209	22,093,144	4,175,465	3,023,230	35,838,021
<b>Total fund balances</b>	<b><u>2,588,973</u></b>	<b><u>3,957,209</u></b>	<b><u>22,598,716</u></b>	<b><u>4,634,407</u></b>	<b><u>3,023,230</u></b>	<b><u>36,802,535</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 4,014,220</u></b>	<b><u>\$ 3,971,808</u></b>	<b><u>\$ 26,320,260</u></b>	<b><u>\$ 7,336,239</u></b>	<b><u>\$ 3,070,404</u></b>	<b><u>\$ 44,712,931</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, 2020

	Special Assessment Districts	Redevelopment Agency	Railroad	Downtown Events Center	City of Reno	Total Debt Service Funds
<b>REVENUES</b>						
Taxes	\$	\$ 911,048	\$ 688,373	\$ 5,782,083	\$	\$ 7,381,504
Intergovernmental shared revenues			11,205,444		240,809	11,446,253
Charges for services					35,100	35,100
Fines and forfeitures	5,435		2,611			8,046
Special assessments	382,132		883,782	490,249		1,756,163
Miscellaneous	162,490	64,528	717,052	448,875	1,128,893	2,521,838
<b>Total revenues</b>	<u>550,057</u>	<u>975,576</u>	<u>13,497,262</u>	<u>6,721,207</u>	<u>1,404,802</u>	<u>23,148,904</u>
<b>EXPENDITURES</b>						
Debt service						
Principal payments	168,870	1,913,000	4,640,250	2,820,000	2,387,000	11,929,120
Interest expense and fiscal charges	63,649	1,006,619	7,486,107	5,377,239	736,073	14,669,687
Debt issuance costs					70,000	70,000
Administrative and other costs	21,065	7,135	37,703	32,051	7,302	105,256
<b>Total debt service</b>	<u>253,584</u>	<u>2,926,754</u>	<u>12,164,060</u>	<u>8,229,290</u>	<u>3,200,375</u>	<u>26,774,063</u>
<b>Total expenditures</b>	<u>253,584</u>	<u>2,926,754</u>	<u>12,164,060</u>	<u>8,229,290</u>	<u>3,200,375</u>	<u>26,774,063</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>296,473</u>	<u>(1,951,178)</u>	<u>1,333,202</u>	<u>(1,508,083)</u>	<u>(1,795,573)</u>	<u>(3,625,159)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt					6,327,000	6,327,000
Transfers in		150,000			1,946,689	2,096,689
Transfers out					(6,216,718)	(6,216,718)
<b>Total other financing sources (uses)</b>		<u>150,000</u>			<u>2,056,971</u>	<u>2,206,971</u>
<b>CHANGE IN FUND BALANCE</b>	296,473	(1,801,178)	1,333,202	(1,508,083)	261,398	(1,418,188)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>2,292,500</u>	<u>5,758,387</u>	<u>21,265,514</u>	<u>6,142,490</u>	<u>2,761,832</u>	<u>38,220,723</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 2,588,973</u>	<u>\$ 3,957,209</u>	<u>\$ 22,598,716</u>	<u>\$ 4,634,407</u>	<u>\$ 3,023,230</u>	<u>\$ 36,802,535</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Fines and forfeits				
SAD penalties	\$	\$	\$ 5,435	\$ 5,435
Special assessments				
Special assessments districts	136,714	136,714	382,132	245,418
Miscellaneous				
Investment income	76,702	76,702	157,937	81,235
Other			<u>4,553</u>	<u>4,553</u>
Total revenues	<u>213,416</u>	<u>213,416</u>	<u>550,057</u>	<u>336,641</u>
EXPENDITURES				
Debt service				
Principal payments	126,870	126,870	168,870	(42,000)
Interest expense and fiscal charges	57,921	57,921	63,649	(5,728)
Administrative and other costs	<u>550,325</u>	<u>550,325</u>	<u>21,065</u>	<u>529,260</u>
Total expenditures	<u>735,116</u>	<u>735,116</u>	<u>253,584</u>	<u>481,532</u>
CHANGE IN FUND BALANCE	(521,700)	(521,700)	296,473	818,173
FUND BALANCE, BEGINNING OF YEAR	<u>2,139,773</u>	<u>2,292,503</u>	<u>2,292,500</u>	<u>(3)</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,618,073</u>	<u>\$ 1,770,803</u>	<u>\$ 2,588,973</u>	<u>\$ 818,170</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Property taxes	\$ 659,125	\$ 659,125	\$ 911,048	\$ 251,923
Miscellaneous				
Investment income	<u>21,000</u>	<u>21,000</u>	<u>64,528</u>	<u>43,528</u>
Total revenues	<u>680,125</u>	<u>680,125</u>	<u>975,576</u>	<u>295,451</u>
EXPENDITURES				
Debt service				
Principal payments	1,913,000	1,913,000	1,913,000	
Interest expense and fiscal charges	1,006,622	1,006,622	1,006,619	3
Administrative and other costs	<u>14,000</u>	<u>14,000</u>	<u>7,135</u>	<u>6,865</u>
Total expenditures	<u>2,933,622</u>	<u>2,933,622</u>	<u>2,926,754</u>	<u>6,868</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,253,497)</u>	<u>(2,253,497)</u>	<u>(1,951,178)</u>	<u>302,319</u>
OTHER FINANCING SOURCES				
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	
CHANGE IN FUND BALANCE	(2,103,497)	(2,103,497)	(1,801,178)	302,319
FUND BALANCE, BEGINNING OF YEAR	<u>5,657,722</u>	<u>5,758,387</u>	<u>5,758,387</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,554,225</u>	<u>\$ 3,654,890</u>	<u>\$ 3,957,209</u>	<u>\$ 302,319</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Room and construction taxes	\$ 935,000	\$ 935,000	\$ 688,373	\$ (246,627)
Intergovernmental shared revenues				
State shared revenues				
Dedicated sales taxes	10,000,000	10,000,000	11,205,444	1,205,444
SAD penalties	2,000	2,000	2,611	611
Special assessments				
ReTRAC	817,638	817,638	883,782	66,144
Miscellaneous				
Investment income	266,435	266,435	716,005	449,570
Other			<u>1,047</u>	<u>1,047</u>
Total revenues	<u>12,021,073</u>	<u>12,021,073</u>	<u>13,497,262</u>	<u>1,476,189</u>
EXPENDITURES				
Debt service				
Principal payments	2,380,000	4,595,250	4,640,250	(45,000)
Interest expense and fiscal charges	7,347,143	7,486,643	7,486,107	536
Administrative and other costs	<u>51,400</u>	<u>51,400</u>	<u>37,703</u>	<u>13,697</u>
Total expenditures	<u>9,778,543</u>	<u>12,133,293</u>	<u>12,164,060</u>	<u>(30,767)</u>
CHANGE IN FUND BALANCE	2,242,530	(112,220)	1,333,202	1,445,422
FUND BALANCE, BEGINNING OF YEAR	<u>20,261,682</u>	<u>21,265,515</u>	<u>21,265,514</u>	<u>(1)</u>
FUND BALANCE, END OF YEAR	<u>\$ 22,504,212</u>	<u>\$ 21,153,295</u>	<u>\$ 22,598,716</u>	<u>\$ 1,445,421</u>

# 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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Room and construction taxes	\$ 7,350,000	\$ 7,350,000	\$ 5,782,083	\$ (1,567,917)
Downtown event center	456,110	456,110	490,249	34,139
Miscellaneous				
Investment income	<u>289,909</u>	<u>289,909</u>	<u>448,875</u>	<u>158,966</u>
Total revenues	<u>8,096,019</u>	<u>8,096,019</u>	<u>6,721,207</u>	<u>(1,374,812)</u>
EXPENDITURES				
Debt service				
Principal payments	2,820,000	2,820,000	2,820,000	
Interest expense and fiscal charges	5,377,239	5,377,239	5,377,239	
Administrative and other costs	<u>33,000</u>	<u>33,000</u>	<u>32,051</u>	<u>949</u>
Total expenditures	<u>8,230,239</u>	<u>8,230,239</u>	<u>8,229,290</u>	<u>949</u>
CHANGE IN FUND BALANCE	(134,220)	(134,220)	(1,508,083)	(1,373,863)
FUND BALANCE, BEGINNING OF YEAR	<u>4,796,185</u>	<u>6,142,490</u>	<u>6,142,490</u>	
FUND BALANCE, END OF YEAR	<u>\$ 4,661,965</u>	<u>\$ 6,008,270</u>	<u>\$ 4,634,407</u>	<u>\$ (1,373,863)</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, 2020

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Intergovernmental shared revenues				
Local government shared revenues				
Other	\$	\$	\$ 240,809	\$ 240,809
Charges for services				
Public works				
Other	35,000	35,000	35,100	100
Miscellaneous				
Investment income	4,000	4,000	163,761	159,761
Rents and royalties	990,000	990,000	965,132	(24,868)
Reimbursements and restitutions	<u>13,000</u>	<u>13,000</u>	<u>          </u>	<u>(13,000)</u>
Total revenues	<u>1,042,000</u>	<u>1,042,000</u>	<u>1,404,802</u>	<u>362,802</u>
<b>EXPENDITURES</b>				
Debt service				
Principal payments	1,748,000	2,387,000	2,387,000	
Interest expense and fiscal charges	703,856	758,258	736,073	22,185
Debt issuance costs		110,282	70,000	40,282
Administrative and other costs	<u>7,000</u>	<u>7,000</u>	<u>7,302</u>	<u>(302)</u>
Total debt service	<u>2,458,856</u>	<u>3,262,540</u>	<u>3,200,375</u>	<u>62,165</u>
Total expenditures	<u>2,458,856</u>	<u>3,262,540</u>	<u>3,200,375</u>	<u>62,165</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,416,856)</u>	<u>(2,220,540)</u>	<u>(1,795,573)</u>	<u>424,967</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt		6,327,000	6,327,000	
Transfers in	1,259,287	1,946,689	1,946,689	
Transfers out		<u>(6,216,718)</u>	<u>(6,216,718)</u>	
Total other financing sources (uses)	<u>1,259,287</u>	<u>2,056,971</u>	<u>2,056,971</u>	
CHANGE IN FUND BALANCE	<u>(157,569)</u>	<u>(163,569)</u>	<u>261,398</u>	<u>424,967</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			(3,801,442)	
Adjustment (Note 2)			<u>6,563,274</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>2,744,920</u>	<u>2,761,832</u>	<u>2,761,832</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,587,351</u>	<u>\$ 2,598,263</u>	<u>\$ 3,023,230</u>	<u>\$ 424,967</u>





# **CAPITAL PROJECTS FUNDS**



# CITY OF RENO

## NON-MAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

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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, 2020

	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	\$ 24,653,115	\$ 384,887	\$ 150,119	\$ 11,578,724	\$ 821,749	\$ 529,036	\$ 1,166,397	\$ 39,284,027
Accounts receivable, net	4,375			12,309				16,684
Interest receivable	123,055	1,032	516	40,269	2,825	1,821	5,433	174,951
Due from other governments				200,000	11,238	27,218		238,456
Notes receivable, net	<u>908,158</u>							<u>908,158</u>
<b>Total assets</b>	<u>\$ 25,688,703</u>	<u>\$ 385,919</u>	<u>\$ 150,635</u>	<u>\$ 11,831,302</u>	<u>\$ 835,812</u>	<u>\$ 558,075</u>	<u>\$ 1,171,830</u>	<u>\$ 40,622,276</u>
<b>LIABILITIES</b>								
Accounts payable and other accrued liabilities	\$ 78,747			\$ 11,765		\$ 386	\$ 1,094,787	\$ 1,185,685
Contracts payable	469,360			324,570				793,930
Deposits					<u>8,000</u>			<u>8,000</u>
<b>Total liabilities</b>	<u>548,107</u>			<u>336,335</u>	<u>8,000</u>	<u>386</u>	<u>1,094,787</u>	<u>1,987,615</u>
<b>FUND BALANCES</b>								
Restricted for								
Capital improvement projects		385,919	150,635	11,494,967	827,812	557,689		13,417,022
Assigned to								
Capital improvement projects	<u>25,140,596</u>						<u>77,043</u>	<u>25,217,639</u>
<b>Total fund balances</b>	<u>25,140,596</u>	<u>385,919</u>	<u>150,635</u>	<u>11,494,967</u>	<u>827,812</u>	<u>557,689</u>	<u>77,043</u>	<u>38,634,661</u>
<b>Total liabilities and fund balances</b>	<u>\$ 25,688,703</u>	<u>\$ 385,919</u>	<u>\$ 150,635</u>	<u>\$ 11,831,302</u>	<u>\$ 835,812</u>	<u>\$ 558,075</u>	<u>\$ 1,171,830</u>	<u>\$ 40,622,276</u>

# CITY OF RENO

## NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

	City of Reno	Downtown Events Center	City Bonds	Parks	Special Ad Valorem	Room Tax Surcharge	Streets	Total Capital Projects Funds
<b>REVENUES</b>								
Taxes	\$	\$	\$	\$ 2,291,621	\$	\$	\$	\$ 2,291,621
Intergovernmental shared revenues				200,000	629,822			829,822
Charges for services	3,875					1,063,228		1,067,103
Fines and forfeitures	143,416					3,250		146,666
Miscellaneous	8,069,091	178,069	26,905	468,500	27,227	11,255	48,508	8,829,555
<b>Total revenues</b>	<b>8,216,382</b>	<b>178,069</b>	<b>26,905</b>	<b>2,960,121</b>	<b>657,049</b>	<b>1,077,733</b>	<b>48,508</b>	<b>13,164,767</b>
<b>EXPENDITURES</b>								
<b>Current</b>								
General government	178,340				257,124			435,464
Public safety	158,217							158,217
Public works	319,744		9,548			1,650		330,942
Culture and recreation	69,601			74,552				144,153
Planning and community development	49,533							49,533
<b>Total current</b>	<b>775,435</b>		<b>9,548</b>	<b>74,552</b>	<b>257,124</b>	<b>1,650</b>		<b>1,118,309</b>
<b>Capital outlay</b>								
General government	107,089							107,089
Public safety	8,278,435							8,278,435
Public works	5,317,537					2,041,370		7,358,907
Culture and recreation	242,760			2,580,424				2,823,184
<b>Total capital outlay</b>	<b>13,945,821</b>			<b>2,580,424</b>		<b>2,041,370</b>		<b>18,567,615</b>
<b>Total expenditures</b>	<b>14,721,256</b>		<b>9,548</b>	<b>2,654,976</b>	<b>257,124</b>	<b>2,043,020</b>		<b>19,685,924</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,504,874)</b>	<b>178,069</b>	<b>17,357</b>	<b>305,145</b>	<b>399,925</b>	<b>(965,287)</b>	<b>48,508</b>	<b>(6,521,157)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from capital asset disposal	2,190,342							2,190,342
Transfers in	13,175,443							13,175,443
Transfers out	(279,217)							(279,217)
<b>Total other financing sources (uses)</b>	<b>15,086,568</b>							<b>15,086,568</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, 2020**

	<u>City of Reno</u>	<u>Downtown Events Center</u>	<u>City Bonds</u>	<u>Parks</u>	<u>Special Ad Valorem</u>	<u>Room Tax Surcharge</u>	<u>Streets</u>	<u>Total Capital Projects Funds</u>
CHANGE IN FUND BALANCE	8,581,694	178,069	17,357	305,145	399,925	(965,287)	48,508	8,565,411
FUND BALANCE, BEGINNING OF YEAR	<u>16,558,902</u>	<u>207,850</u>	<u>133,278</u>	<u>11,189,822</u>	<u>427,887</u>	<u>1,522,976</u>	<u>28,535</u>	<u>30,069,250</u>
FUND BALANCE, END OF YEAR	<u>\$ 25,140,596</u>	<u>\$ 385,919</u>	<u>\$ 150,635</u>	<u>\$ 11,494,967</u>	<u>\$ 827,812</u>	<u>\$ 557,689</u>	<u>\$ 77,043</u>	<u>\$ 38,634,661</u>

# 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, 2020

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Charges for services				
Public safety				
Police service charges	\$	\$	\$ 3,875	\$ 3,875
Fines and forfeits				
Other			143,416	143,416
Miscellaneous				
Investment income	50,000	50,000	878,904	828,904
Reimbursements and restitutions		65,947	74,454	8,507
Private grants and contributions		5,001,600	5,131,469	129,869
Other		1,984,264	1,984,264	
<b>Total revenues</b>	<b>50,000</b>	<b>7,101,811</b>	<b>8,216,382</b>	<b>1,114,571</b>
<b>EXPENDITURES</b>				
General government				
Communications and technology				
Capital outlay	120,000	285,953	107,089	178,864
Other				
Services and supplies	443,000	1,061,539	178,340	883,199
<b>Total general government</b>	<b>563,000</b>	<b>1,347,492</b>	<b>285,429</b>	<b>1,062,063</b>
Public safety				
Police				
Services and supplies			64,003	(64,003)
Capital outlay		13,235,744	3,987,520	9,248,224
Total police		13,235,744	4,051,523	9,184,221
Fire				
Services and supplies		196,372	94,214	102,158
Capital outlay	350,000	9,758,419	4,290,915	5,467,504
Total fire	350,000	9,954,791	4,385,129	5,569,662
<b>Total public safety</b>	<b>350,000</b>	<b>23,190,535</b>	<b>8,436,652</b>	<b>14,753,883</b>
Public works				
Various				
Services and supplies	290,000	1,360,190	319,744	1,040,446
Capital outlay	600,000	10,554,437	5,317,537	5,236,900
<b>Total public works</b>	<b>890,000</b>	<b>11,914,627</b>	<b>5,637,281</b>	<b>6,277,346</b>
Culture and recreation				
Parks and recreation				
Services and supplies		81,407	69,601	11,806
Capital outlay	440,000	1,071,142	242,760	828,382
<b>Total culture and recreation</b>	<b>440,000</b>	<b>1,152,549</b>	<b>312,361</b>	<b>840,188</b>
Planning and community development				
Various				
Services and supplies		436,683	49,533	387,150
<b>Total expenditures</b>	<b>2,243,000</b>	<b>38,041,886</b>	<b>14,721,256</b>	<b>23,320,630</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(2,193,000)</b>	<b>(30,940,075)</b>	<b>(6,504,874)</b>	<b>24,435,201</b>



# 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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal		2,190,195	2,190,342	147
Transfers in	2,243,000	20,964,867	13,175,443	(7,789,424)
Transfers out	(136,000)	(7,625,641)	(279,217)	7,346,424
Total other financing sources (uses)	<u>2,107,000</u>	<u>15,529,421</u>	<u>15,086,568</u>	<u>(442,853)</u>
CHANGE IN FUND BALANCE	(86,000)	(15,410,654)	8,581,694	23,992,348
FUND BALANCE, BEGINNING OF YEAR	<u>912,986</u>	<u>16,094,423</u>	<u>16,558,902</u>	<u>464,479</u>
FUND BALANCE, END OF YEAR	<u>\$ 826,986</u>	<u>\$ 683,769</u>	<u>\$ 25,140,596</u>	<u>\$ 24,456,827</u>

# 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, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Miscellaneous				
Investment income	\$	\$	\$ 7,889	\$ 7,889
Reimbursements and restitutions			170,180	170,180
Total revenues			178,069	178,069
EXPENDITURES				
Public works				
Various				
Services and supplies		207,850		207,850
CHANGE IN FUND BALANCE		(207,850)	178,069	385,919
FUND BALANCE, BEGINNING OF YEAR		207,850	207,850	
FUND BALANCE, END OF YEAR	\$	\$	\$ 385,919	\$ 385,919

# 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, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Miscellaneous				
Investment income	\$	\$	\$ 5,269	\$ 5,269
Reimbursements and restitutions			10,864	10,864
Private grants and contributions			10,772	10,772
Total revenues			26,905	26,905
EXPENDITURES				
Public works				
Various				
Services and supplies		133,278	9,548	123,730
CHANGE IN FUND BALANCE		(133,278)	17,357	150,635
FUND BALANCE, BEGINNING OF YEAR		133,278	133,278	
FUND BALANCE, END OF YEAR	\$	\$	\$ 150,635	\$ 150,635

# 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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Room and construction taxes	\$ 2,279,500	\$ 2,496,000	\$ 2,291,621	\$ (204,379)
Intergovernmental shared revenues				
Federal grants			200,000	200,000
Miscellaneous				
Investment income	31,600	31,600	415,633	384,033
Reimbursements and restitutions			50,400	50,400
Private grants and contributions			2,467	2,467
Total revenues	<u>2,311,100</u>	<u>2,527,600</u>	<u>2,960,121</u>	<u>432,521</u>
EXPENDITURES				
Culture and recreation				
Parks and recreation				
Services and supplies		215,657	74,552	141,105
Capital outlay	160,000	6,943,460	2,580,424	4,363,036
Total expenditures	<u>160,000</u>	<u>7,159,117</u>	<u>2,654,976</u>	<u>4,504,141</u>
CHANGE IN FUND BALANCE	2,151,100	(4,631,517)	305,145	4,936,662
FUND BALANCE, BEGINNING OF YEAR	<u>8,798,962</u>	<u>11,160,442</u>	<u>11,189,822</u>	<u>29,380</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,950,062</u>	<u>\$ 6,528,925</u>	<u>\$ 11,494,967</u>	<u>\$ 4,966,042</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental shared revenues				
Local government shared revenues				
County capital project taxes	\$ 550,000	\$ 550,000	\$ 629,822	\$ 79,822
Miscellaneous				
Investment income			27,227	27,227
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>657,049</u>	<u>107,049</u>
EXPENDITURES				
General government				
Communications and technology				
Services and supplies	<u>500,000</u>	<u>578,135</u>	<u>257,124</u>	<u>321,011</u>
Public safety				
Police				
Services and supplies	<u>50,000</u>	<u>100,000</u>		<u>100,000</u>
Total expenditures	<u>550,000</u>	<u>678,135</u>	<u>257,124</u>	<u>421,011</u>
CHANGE IN FUND BALANCE		(128,135)	399,925	528,060
FUND BALANCE, BEGINNING OF YEAR		<u>128,135</u>	<u>427,887</u>	<u>299,752</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$ 827,812</u>	<u>\$ 827,812</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, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services				
Other				
Downtown district room surcharge	\$ 2,150,000	\$ 2,150,000	\$ 1,063,228	\$ (1,086,772)
Fines and forfeits				
Other			3,250	3,250
Miscellaneous				
Investment income	<u>15,000</u>	<u>15,000</u>	<u>11,255</u>	<u>(3,745)</u>
Total revenues	<u>2,165,000</u>	<u>2,165,000</u>	<u>1,077,733</u>	<u>(1,087,267)</u>
EXPENDITURES				
Public works				
Various				
Services and supplies			1,650	(1,650)
Capital outlay	<u>2,165,000</u>	<u>3,687,976</u>	<u>2,041,370</u>	<u>1,646,606</u>
Total expenditures	<u>2,165,000</u>	<u>3,687,976</u>	<u>2,043,020</u>	<u>1,644,956</u>
CHANGE IN FUND BALANCE		(1,522,976)	(965,287)	557,689
FUND BALANCE, BEGINNING OF YEAR	<u>                    </u>	<u>1,522,976</u>	<u>1,522,976</u>	<u>                    </u>
FUND BALANCE, END OF YEAR	<u>\$                    </u>	<u>\$                    </u>	<u>\$ 557,689</u>	<u>\$ 557,689</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, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Miscellaneous				
Investment income	\$ _____	\$ _____	\$ 48,508	\$ 48,508
EXPENDITURES				
Public works				
Various				
Services and supplies	_____	28,535	_____	28,535
Total expenditures	_____	28,535	_____	28,535
CHANGE IN FUND BALANCE		(28,535)	48,508	77,043
FUND BALANCE, BEGINNING OF YEAR	_____	28,535	28,535	_____
FUND BALANCE, END OF YEAR	\$ _____	\$ _____	\$ 77,043	\$ 77,043





# **PROPRIETARY FUNDS**



# **MAJOR ENTERPRISE FUNDS**



# **CITY OF RENO**

## **MAJOR ENTERPRISE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>				
Charges for services				
Sanitary Sewer	\$ 68,119,774	\$ 68,119,774	\$ 68,625,972	\$ 506,198
Licenses and permits	341,454	341,454	318,852	(22,602)
Fines and forfeitures	1,302,600	1,302,600	1,183,625	(118,975)
Miscellaneous				
Reimbursements and restitution			478,929	478,929
Other			10,783	10,783
Total operating revenues	<u>69,763,828</u>	<u>69,763,828</u>	<u>70,618,161</u>	<u>854,333</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	7,149,996	7,264,147	6,781,883	482,264
Employee benefits	4,355,596	4,670,084	5,543,244	(873,160)
Services and supplies	12,281,767	20,887,889	18,590,404	2,297,485
Joint sewer plant	15,000,000	15,000,000	14,263,949	736,051
Depreciation and amortization	10,500,000	12,000,000	11,972,084	27,916
Total operating expenses	<u>49,287,359</u>	<u>59,822,120</u>	<u>57,151,564</u>	<u>2,670,556</u>
Operating income	<u>20,476,469</u>	<u>9,941,708</u>	<u>13,466,597</u>	<u>3,524,889</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	500,000	500,000	5,013,037	4,513,037
Interest and fiscal charges	(1,070,753)	(1,385,941)	(1,445,408)	(59,467)
Gain (loss) on capital asset disposition			(351,274)	(351,274)
Federal grants			53,150	53,150
Net loss from joint venture in Truckee Meadows Water Reclamation Facility	(5,000,000)	(5,000,000)	(5,696,983)	(696,983)
Total nonoperating revenues (expenses)	<u>(5,570,753)</u>	<u>(5,885,941)</u>	<u>(2,427,478)</u>	<u>3,458,463</u>
Income before capital contributions and transfers	<u>14,905,716</u>	<u>4,055,767</u>	<u>11,039,119</u>	<u>6,983,352</u>
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions			10,727,964	10,727,964
Other grants	588,425	588,425		(588,425)
Sewer connection charges	7,575,000	7,575,000	10,954,933	3,379,933
Total capital contributions	<u>8,163,425</u>	<u>8,163,425</u>	<u>21,682,897</u>	<u>13,519,472</u>
<b>TRANSFERS</b>				
Transfers in		3,645,812		(3,645,812)
Transfers out	(112,000)	(3,757,812)	(112,000)	3,645,812
Total transfers	<u>(112,000)</u>	<u>(112,000)</u>	<u>(112,000)</u>	
CHANGE IN NET POSITION	<u>\$ 22,957,141</u>	<u>\$ 12,107,192</u>	32,610,016	<u>\$ 20,502,824</u>
NET POSITION, BEGINNING OF YEAR			518,454,950	
NET POSITION, END OF YEAR			<u>\$ 551,064,966</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>				
Charges for services				
Building permits	\$ 5,522,771	\$ 5,522,771	\$ 5,477,964	\$ (44,807)
Miscellaneous permits	1,042,193	1,042,193	637,491	(404,702)
Plan check fees	3,094,849	3,094,849	3,083,248	(11,601)
Electrical and plumbing	1,656,684	1,656,684	1,694,681	37,997
Plumbing inspection fees	222,492	222,492	222,225	(267)
Electrical inspection fee	91,019	91,019	90,882	(137)
Building and safety fees	5,810	5,810	8,578	2,768
Fire inspection fees	230,000	230,000	238,637	8,637
Total operating revenues	<u>11,865,818</u>	<u>11,865,818</u>	<u>11,453,706</u>	<u>(412,112)</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	4,463,636	4,463,636	4,144,278	319,358
Employee benefits	2,990,644	2,994,144	3,566,318	(572,174)
Services and supplies	3,126,249	5,853,361	5,235,009	618,352
Depreciation and amortization	30,000	110,000	110,531	(531)
Total operating expenses	<u>10,610,529</u>	<u>13,421,141</u>	<u>13,056,136</u>	<u>365,005</u>
Operating income (loss)	<u>1,255,289</u>	<u>(1,555,323)</u>	<u>(1,602,430)</u>	<u>(47,107)</u>
<b>NONOPERATING REVENUES</b>				
Investment income	<u>50,000</u>	<u>50,000</u>	<u>614,106</u>	<u>564,106</u>
CHANGE IN NET POSITION	<u>\$ 1,305,289</u>	<u>\$ (1,505,323)</u>	<u>(988,324)</u>	<u>\$ 516,999</u>
NET POSITION, BEGINNING OF YEAR			<u>7,212,942</u>	
NET POSITION, END OF YEAR			<u>\$ 6,224,618</u>	



# **INTERNAL SERVICE FUNDS**



# CITY OF RENO

## INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

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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, 2020

	Motor Vehicle	Risk Retention	Self-Funded Medical Plan	Self-Funded Workers Compensation	Total Internal Service Funds
<b>ASSETS</b>					
Current assets					
Cash, cash equivalents and investments	\$ 7,104,713	\$ 7,649,974	\$ 23,575,641	\$ 13,154,502	\$ 51,484,830
Accounts receivable, net	70,458		424,383		494,841
Interest receivable	20,890	24,337	87,319	36,304	168,850
Due from other governments				25,421	25,421
Inventories	127,195				127,195
Prepaid items	<u>1,802</u>	<u>63,147</u>	<u>5,000</u>	<u>58,197</u>	<u>128,146</u>
Total current assets	<u>7,325,058</u>	<u>7,737,458</u>	<u>24,092,343</u>	<u>13,274,424</u>	<u>52,429,283</u>
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Machinery, equipment and software	<u>10,320,701</u>				<u>10,320,701</u>
Total assets	<u>17,645,759</u>	<u>7,737,458</u>	<u>24,092,343</u>	<u>13,274,424</u>	<u>62,749,984</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	276,995	38,905			315,900
Deferred outflows related to OPEB	<u>5,853</u>	<u>1,513</u>			<u>7,366</u>
Total deferred outflows of resources	<u>282,848</u>	<u>40,418</u>			<u>323,266</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and other accrued liabilities	257,430	50,360	186,942	105,372	600,104
Accrued salaries and benefits	37,133	8,522			45,655
Compensated absences	69,465	6,643			76,108
Self-insurance liability		611,409	3,823,203	5,922,259	10,356,871
Total current liabilities	<u>364,028</u>	<u>676,934</u>	<u>4,010,145</u>	<u>6,027,631</u>	<u>11,078,738</u>
Noncurrent liabilities					
Net OPEB liability	311,779	80,613			392,392
Self-insurance liability		4,738,326	59,107	50,440,240	55,237,673
Net pension liability	<u>1,464,011</u>	<u>205,621</u>			<u>1,669,632</u>
Total noncurrent liabilities	<u>1,775,790</u>	<u>5,024,560</u>	<u>59,107</u>	<u>50,440,240</u>	<u>57,299,697</u>
Total liabilities	<u>2,139,818</u>	<u>5,701,494</u>	<u>4,069,252</u>	<u>56,467,871</u>	<u>68,378,435</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	168,197	23,624			191,821
Deferred inflows related to OPEB	<u>339,456</u>	<u>87,769</u>			<u>427,225</u>
<b>NET POSITION</b>					
Net investment in capital assets	10,320,701				10,320,701
Restricted					
Self-insurance liabilities		1,962,655	20,023,091		21,985,746
Unrestricted	<u>4,960,435</u>	<u>2,334</u>		<u>(43,193,447)</u>	<u>(38,230,678)</u>
Total net position	<u>\$ 15,281,136</u>	<u>\$ 1,964,989</u>	<u>\$ 20,023,091</u>	<u>\$ (43,193,447)</u>	<u>\$ (5,924,231)</u>

# CITY OF RENO

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2020

	<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	\$ 7,473,154	\$ 1,711,761	\$ 27,534,441	\$ 7,432,325	\$ 44,151,681
Miscellaneous	2,243,267	1,052,953	1,472,787	6,708,126	11,477,133
Total operating revenues	<u>9,716,421</u>	<u>2,764,714</u>	<u>29,007,228</u>	<u>14,140,451</u>	<u>55,628,814</u>
<b>OPERATING EXPENSES</b>					
Salaries and wages	824,775	202,627			1,027,402
Employee benefits	738,692	130,179			868,871
Services and supplies	2,535,974	3,218,941	31,906,919	6,452,067	44,113,901
Depreciation and amortization	2,708,912				2,708,912
Total operating expenses	<u>6,808,353</u>	<u>3,551,747</u>	<u>31,906,919</u>	<u>6,452,067</u>	<u>48,719,086</u>
Operating income (loss)	<u>2,908,068</u>	<u>(787,033)</u>	<u>(2,899,691)</u>	<u>7,688,384</u>	<u>6,909,728</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	203,375	235,083	923,129	454,670	1,816,257
Gain (loss) on capital asset disposition	(957)				(957)
Federal grants	28,655				28,655
Total nonoperating revenues (expenses)	<u>231,073</u>	<u>235,083</u>	<u>923,129</u>	<u>454,670</u>	<u>1,843,955</u>
Income (loss) before capital contributions	<u>3,139,141</u>	<u>(551,950)</u>	<u>(1,976,562)</u>	<u>8,143,054</u>	<u>8,753,683</u>
<b>CAPITAL CONTRIBUTIONS</b>					
Capital contributions	575,148				575,148
Total capital contributions	<u>575,148</u>				<u>575,148</u>
CHANGE IN NET POSITION	3,714,289	(551,950)	(1,976,562)	8,143,054	9,328,831
NET POSITION, BEGINNING 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>
NET POSITION, END OF YEAR	<u>\$ 15,281,136</u>	<u>\$ 1,964,989</u>	<u>\$ 20,023,091</u>	<u>\$ (43,193,447)</u>	<u>\$ (5,924,231)</u>

# CITY OF RENO

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	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	\$ 7,479,370	\$ 1,711,761	\$ 27,630,274	\$ 7,432,325	\$ 44,253,730
Cash received from interfund services	100,000				100,000
Cash received from other sources	2,243,267	1,336,056	1,472,787	6,873,093	11,925,203
Cash payments for goods and services	(2,246,638)	(1,945,513)	(30,248,706)	(7,503,558)	(41,944,415)
Cash payments for employee services	(1,087,009)	(248,688)			(1,335,697)
Cash payments for interfund goods and services	(157,350)	(33,950)	(585,031)	(153,306)	(929,637)
Cash payments for interfund employee benefits	(135,382)	(23,317)			(158,699)
Net cash provided by (used in) operating activities	6,196,258	796,349	(1,730,676)	6,648,554	11,910,485
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash received from grants	28,655				28,655
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(3,380,584)				(3,380,584)
Proceeds received from disposal of capital assets	56,453				56,453
Net cash used in capital financing activities	(3,324,131)				(3,324,131)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income received	118,577	160,326	660,643	295,076	1,234,622
Change in fair value of cash equivalent investments	81,257	79,084	280,025	149,142	589,508
Net cash provided by investing activities	199,834	239,410	940,668	444,218	1,824,130
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,100,616	1,035,759	(790,008)	7,092,772	10,439,139
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	4,004,097	6,614,215	24,365,649	6,061,730	41,045,691
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 7,104,713	\$ 7,649,974	\$ 23,575,641	\$ 13,154,502	\$ 51,484,830
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 2,908,068	\$ (787,033)	\$ (2,899,691)	\$ 7,688,384	\$ 6,909,728
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	2,708,912				2,708,912
(Increase) decrease in operating assets					
Accounts receivable	106,216		95,833		202,049
Due from other governments		283,103		164,967	448,070
Inventories	42,089				42,089
Prepaid items	770	(8,866)	9,415	10,513	11,832
Increase (decrease) in operating liabilities					
Accounts payable and accrued expenses	89,127	7,621	(529,249)	100,749	(331,752)
Accrued salaries and benefits	10,546	1,978			12,524
Compensated absences	8,604	2,531			11,135
Self-insurance liability		1,240,723	1,593,016	(1,316,059)	1,517,680
Postemployment benefits other than pensions	186,744	44,897			231,641
Net pension liability	135,182	11,395			146,577
Total adjustments	3,288,190	1,583,382	1,169,015	(1,039,830)	5,000,757
Net cash provided by (used in) operating activities	\$ 6,196,258	\$ 796,349	\$ (1,730,676)	\$ 6,648,554	\$ 11,910,485
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Contribution of capital assets	\$ 575,148				\$ 575,148

# 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, 2020

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>				
Charges for services				
Internal service fund charges	\$ 7,407,331	\$ 7,407,331	\$ 7,473,154	\$ 65,823
Miscellaneous				
Reimbursements and restitution		2,245,545	2,217,496	(28,049)
Other		25,771	25,771	
Total operating revenues	7,407,331	9,678,647	9,716,421	37,774
<b>OPERATING EXPENSES</b>				
Salaries and wages	853,135	853,135	824,775	28,360
Employee benefits	490,726	490,726	738,692	(247,966)
Services and supplies	2,635,966	2,686,736	2,535,974	150,762
Depreciation and amortization	2,000,000	2,850,000	2,708,912	141,088
Total operating expenses	5,979,827	6,880,597	6,808,353	72,244
Operating income	1,427,504	2,798,050	2,908,068	110,018
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	15,000	15,000	203,375	188,375
Gain (loss) on capital asset disposition		107,029	(957)	(107,986)
Federal grants			28,655	28,655
Total nonoperating revenues (expenses)	15,000	122,029	231,073	109,044
Income before capital contributions	1,442,504	2,920,079	3,139,141	219,062
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions			575,148	575,148
Federal grants		28,655		(28,655)
Total capital contributions		28,655	575,148	546,493
CHANGE IN NET POSITION	\$ 1,442,504	\$ 2,948,734	3,714,289	\$ 765,555
NET POSITION, BEGINNING OF YEAR			11,566,847	
NET POSITION, END OF YEAR			\$ 15,281,136	



# 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, 2020

	<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	\$ 1,711,761	\$ 1,711,761	\$ 1,711,761	\$
Miscellaneous				
Reimbursements and restitution		1,052,953	1,052,953	
Total operating revenues	<u>1,711,761</u>	<u>2,764,714</u>	<u>2,764,714</u>	
<b>OPERATING EXPENSES</b>				
Salaries and wages	243,547	243,547	202,627	40,920
Employee benefits	132,008	132,008	130,179	1,829
Services and supplies	<u>2,530,657</u>	<u>3,006,138</u>	<u>3,218,941</u>	<u>(212,803)</u>
Total operating expenses	<u>2,906,212</u>	<u>3,381,693</u>	<u>3,551,747</u>	<u>(170,054)</u>
Operating loss	<u>(1,194,451)</u>	<u>(616,979)</u>	<u>(787,033)</u>	<u>(170,054)</u>
<b>NONOPERATING REVENUES</b>				
Investment income	<u>40,000</u>	<u>82,837</u>	<u>235,083</u>	<u>152,246</u>
CHANGE IN NET POSITION	<u>\$ (1,154,451)</u>	<u>\$ (534,142)</u>	(551,950)	<u>\$ (17,808)</u>
NET POSITION, BEGINNING OF YEAR			<u>2,516,939</u>	
NET POSITION, END OF YEAR			<u>\$ 1,964,989</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services				
Internal service fund charges	\$ 30,215,000	\$ 30,242,144	\$ 27,534,441	\$ (2,707,703)
Miscellaneous				
Stop-loss reimbursements		444,401	574,344	129,943
Other		646,003	898,443	252,440
Total operating revenues	<u>30,215,000</u>	<u>31,332,548</u>	<u>29,007,228</u>	<u>(2,325,320)</u>
OPERATING EXPENSES				
Services and supplies	<u>29,777,231</u>	<u>32,385,158</u>	<u>31,906,919</u>	<u>478,239</u>
Operating income (loss)	<u>437,769</u>	<u>(1,052,610)</u>	<u>(2,899,691)</u>	<u>(1,847,081)</u>
NONOPERATING REVENUES				
Investment income	<u>91,000</u>	<u>351,681</u>	<u>923,129</u>	<u>571,448</u>
CHANGE IN NET POSITION	<u>\$ 528,769</u>	<u>\$ (700,929)</u>	<u>(1,976,562)</u>	<u>\$ (1,275,633)</u>
NET POSITION, BEGINNING OF YEAR			<u>21,999,653</u>	
NET POSITION, END OF YEAR			<u>\$ 20,023,091</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services				
Internal service fund charges	\$ 7,496,259	\$ 7,496,259	\$ 7,432,325	\$ (63,934)
Miscellaneous				
Stop-loss reimbursements		<u>6,708,126</u>	<u>6,708,126</u>	
Total operating revenues	<u>7,496,259</u>	<u>14,204,385</u>	<u>14,140,451</u>	<u>(63,934)</u>
OPERATING EXPENSES				
Services and supplies	<u>8,482,306</u>	<u>8,522,306</u>	<u>6,452,067</u>	<u>2,070,239</u>
Operating income (loss)	<u>(986,047)</u>	<u>5,682,079</u>	<u>7,688,384</u>	<u>2,006,305</u>
NONOPERATING REVENUES				
Investment income	<u>50,000</u>	<u>50,000</u>	<u>454,670</u>	<u>404,670</u>
CHANGE IN NET POSITION	<u>\$ (936,047)</u>	<u>\$ 5,732,079</u>	<u>8,143,054</u>	<u>\$ 2,410,975</u>
NET POSITION, BEGINNING OF YEAR			<u>(51,336,501)</u>	
NET POSITION, END OF YEAR			<u>\$ (43,193,447)</u>	





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## **Independent Auditor's 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  
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, Nevada (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 22, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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 financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

BDO USA, LLP

February 22, 2021

# STATISTICAL SECTION





# CITY OF RENO

## STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2020

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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 Balance, Governmental Funds
- Changes in Fund Balance, 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, 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	June 30, 2020
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 564,788,939
Restricted	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	81,364,743
Unrestricted	(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)	(424,534,435)
<b>Total governmental activities</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>221,619,247</b>
<b>Business-type activities</b>										
Net investment in capital assets	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	342,507,959
Restricted	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	32,962,201
Unrestricted	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	181,665,639
<b>Total business-type activities</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>557,135,799</b>
<b>Primary government</b>										
Net investment in capital assets	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	907,296,898
Restricted	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	114,326,944
Unrestricted	(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)	(242,868,796)
<b>Total primary government</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>	<b>\$ 778,755,046</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, 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	June 30, 2020
<b>Expenses</b>										
Governmental activities										
General government	\$ 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	\$ 45,217,904
Judicial	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	8,143,954
Public safety	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	130,320,615
Public works	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	53,686,101
Culture and recreation	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	16,725,753
Planning and community development	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	13,671,197
Urban development	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	6,689,551
Interest on long-term debt	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	21,828,993
Total governmental activities	<u>286,197,471</u>	<u>267,432,981</u>	<u>267,987,493</u>	<u>276,722,087</u>	<u>275,021,818</u>	<u>271,657,305</u>	<u>282,210,652</u>	<u>328,656,483</u>	<u>305,733,715</u>	<u>296,284,068</u>
Business-type activities										
Sanitary sewer	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	59,110,441
Golf course	1,318,299	1,295,630 <sup>4</sup>								
Building permit	3,899,577	3,605,348	3,784,827	3,663,078	4,912,814	7,591,879	8,526,753	7,637,116	7,558,741	10,380,414
Other <sup>1</sup>										
Total business-type activities	<u>49,182,957</u>	<u>49,265,299</u>	<u>53,756,885</u>	<u>48,481,856</u>	<u>50,414,215</u>	<u>54,419,053</u>	<u>56,837,489</u>	<u>59,194,452</u>	<u>63,135,404</u>	<u>69,490,855</u>
Total primary government expenses	<u>\$ 335,380,428</u>	<u>\$ 316,698,280</u>	<u>\$ 321,744,378</u>	<u>\$ 325,203,943</u>	<u>\$ 325,436,033</u>	<u>\$ 326,076,358</u>	<u>\$ 339,048,141</u>	<u>\$ 387,850,935</u>	<u>\$ 368,869,119</u>	<u>\$ 365,774,923</u>
<b>Program revenues</b>										
Governmental activities										
Charges for services	\$ 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	\$ 79,589,048
Operating grants and contributions	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	30,299,717
Capital grants and contributions	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	63,775,489
Total governmental activities	<u>98,314,527</u>	<u>101,682,746</u>	<u>132,884,977</u>	<u>117,389,100</u>	<u>118,256,207</u>	<u>124,494,961</u>	<u>114,405,698</u>	<u>121,420,697</u>	<u>158,905,200</u>	<u>173,664,254</u>
Business-type activities										
Charges for services	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	82,061,084
Operating grants and contributions	168,668	31,055	32,194	17,003	12,415	100,000	2,014,816	2,107,002	2,016,429	53,150
Capital grants and contributions	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	21,682,897
Total business-type activities	<u>54,656,100</u>	<u>55,625,003</u>	<u>68,239,865</u>	<u>76,477,402</u>	<u>79,229,442</u>	<u>84,936,979</u>	<u>89,142,199</u>	<u>94,841,519</u>	<u>102,797,498</u>	<u>103,797,131</u>
Total primary government program revenues	<u>\$ 152,970,627</u>	<u>\$ 157,307,749</u>	<u>\$ 201,124,842</u>	<u>\$ 193,866,502</u>	<u>\$ 197,485,649</u>	<u>\$ 209,431,940</u>	<u>\$ 203,547,897</u>	<u>\$ 216,262,216</u>	<u>\$ 261,702,698</u>	<u>\$ 277,461,385</u>
Net (expenses) program revenues										
Governmental activities	\$ (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)	\$ (122,619,814)
Business-type activities	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	34,306,276
Primary government	<u>\$ (182,409,801)</u>	<u>\$ (159,390,531)</u>	<u>\$ (120,619,536)</u>	<u>\$ (131,337,441)</u>	<u>\$ (127,950,384)</u>	<u>\$ (116,644,418)</u>	<u>\$ (135,500,244)</u>	<u>\$ (171,588,719)</u>	<u>\$ (107,166,421)</u>	<u>\$ (88,313,538)</u>

(Continued)

**CITY OF RENO**  
**CHANGES IN NET POSITION (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	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	June 30, 2020
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 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	\$ 77,331,482
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	8,713,540
Sales taxes restricted for debt service <sup>3</sup>	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	12,513,819
Other sales taxes <sup>3</sup>					389,190	335,196	344,552	940,212	1,247,683	3,344,550
Other taxes	11,579,095									
Intergovernmental shared revenues, unrestricted	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	77,500,861
Investment income	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	7,787,304
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	1,285
Miscellaneous	861,751	1,087,310	890,666	272,370	1,293,456	1,097,297	3,272,471	1,259,772	1,060,643	8,350,854
Transfers	(1,140,227)	(600,410)	3,301,447	852,787	560,821	222,254	153,406	846,396	214,932	367,831
<b>Total governmental activities</b>	<b>129,873,242</b>	<b>122,754,121</b>	<b>133,460,409</b>	<b>129,298,161</b>	<b>138,332,519</b>	<b>147,831,816</b>	<b>154,392,761</b>	<b>170,182,001</b>	<b>176,930,819</b>	<b>195,911,526</b>
Business-type activities										
Investment income <sup>3</sup>	165,705	101,805	159,390	114,015	215,808	421,469	289,186	775,338	3,676,463	5,627,143
Change in fair value of investments <sup>3</sup>		114,596	(228,228)	(18,597)	(31,503)					
Gain on disposal of capital assets			18,833							
Miscellaneous	126,155	99,035	12,164	30,026	8,531	14,721	17,815	14,579	38,053	10,783
Transfers	1,140,227	600,410	(3,301,447)	(852,787)	(560,821)	(222,254)	(153,406)	(846,396)	(214,932)	(367,831)
<b>Total business-type activities</b>	<b>1,432,087</b>	<b>915,846</b>	<b>(3,339,288)</b>	<b>(727,343)</b>	<b>(367,985)</b>	<b>213,936</b>	<b>153,595</b>	<b>(56,479)</b>	<b>3,499,584</b>	<b>5,270,095</b>
<b>Total primary government general revenues and other changes in net position</b>	<b>\$ 131,305,329</b>	<b>\$ 123,669,967</b>	<b>\$ 130,121,121</b>	<b>\$ 128,570,818</b>	<b>\$ 137,964,534</b>	<b>\$ 148,045,752</b>	<b>\$ 154,546,356</b>	<b>\$ 170,125,522</b>	<b>\$ 180,430,403</b>	<b>\$ 201,181,621</b>
Change in net position										
Governmental activities	\$ (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	\$ 73,291,712
Business-type activities	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	39,576,371
Primary government	<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>	<u>\$ 112,868,083</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, 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	June 30, 2020
General fund										
Nonspendable	\$ 688,328	\$ 494,775	\$ 454,285	\$ 411,578	\$ 582,723	\$ 692,173	\$ 780,792	\$ 959,180	\$ 1,199,686	\$ 1,518,292
Restricted	1,680,634	821,800	885,998	878,979	584,162	423,202	470,150	391,853	350,888	350,151
Assigned	187,626	171,147	224,188	351,624	179,048	1,098,548	1,110,415	1,374,662	6,017,002	28,988,546
Unassigned	<u>2,948,665</u>	<u>5,018,570</u>	<u>5,895,188</u>	<u>10,588,880</u>	<u>10,419,632</u>	<u>17,405,569</u>	<u>18,681,120</u>	<u>28,566,273</u>	<u>24,952,874</u>	<u>28,936,280</u>
Total general fund	<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>	<u>\$ 59,793,269</u>
Other governmental funds										
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	\$ 1,468,233
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	55,983,599
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	59,978,883
Unassigned	<u>(1,063,493)</u>	<u>(1,063,493)</u>	<u>(855,487)</u>	<u>(638,540)</u>	<u>(131)</u>	<u>(17,857)</u>	<u>(893,235)</u>	<u>(2,406,912)</u>	<u>(843,353)</u>	<u>(8,435,353)</u>
Total other governmental funds	<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>	<u>\$ 108,995,362</u>

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

	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	June 30, 2020
<b>REVENUES</b>										
Taxes	\$ 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	\$ 77,045,137
Property taxes										
Motor vehicle 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	6,846,573
Room and construction 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	11,005,161
Intergovernmental SCCR (AB104) 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	4,596,688
Intergovernmental	82,475,857									
Intergovernmental capital project taxes		614,393	458,621	489,208	491,796	528,611	538,392	582,298	596,633	629,822
Intergovernmental consolidated 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	71,946,998
Intergovernmental marijuana fees								319,349	310,579	305,580
Intergovernmental gaming licenses		1,552,916	1,489,815	1,521,371	1,573,515	1,438,526	1,551,623	1,436,546	1,394,201	957,176
Franchise fees		22,710,178	23,713,630	28,503,338	29,783,710	29,024,649	27,598,329	29,571,102	29,964,081	30,930,480
Licenses, permits and other fees	36,289,020	15,294,161	18,096,605	16,638,013	19,272,102	20,166,644	19,935,183	20,170,727	23,040,239	21,912,249
Special assessments	3,143,163	3,152,638	3,562,917	3,768,781	3,280,470	3,070,181	3,446,857	3,448,256	3,924,225	4,450,921
Grants and contributions		14,277,737	22,035,375	19,483,785	12,521,874	22,517,462	9,040,356	11,151,351	12,553,089	35,749,227
Charges for services	14,181,291	13,355,685	12,781,829	13,286,822	12,006,097	12,263,731	13,293,982	13,896,609	15,534,884	11,674,393
Downtown district room surcharge		2,003,432	2,187,000	2,144,842	1,965,290	1,936,490	1,821,970	1,899,848	1,714,799	1,063,228
Dedicated sales taxes		20,327,167	9,621,894	9,903,240	10,574,853	11,076,333	11,103,820	12,779,289	13,269,151	15,858,369
Fines and forfeitures	3,365,867	3,429,246	2,957,839	3,971,584	3,736,055	2,962,315	2,710,589	2,701,997	2,993,486	2,926,323
Reimbursements and restitutions		2,902,289	2,425,290	2,390,854	9,032,184	1,540,854	3,187,150	2,097,703	2,320,908	5,328,966
Rents and royalties		2,063,066	2,064,286	1,997,409	2,090,023	2,287,341	2,376,010	2,446,625	2,288,618	2,245,141
Investment income	2,026,114	1,777,641	1,745,617	1,668,137	1,666,139	1,575,734	1,753,279	1,973,871	3,167,636	4,231,022
Change in fair value of investments		157,483	(260,892)	(21,550)	(11,444)	174,789	(152,671)	(207,152)	1,258,335	1,587,039
Miscellaneous	8,684,396	1,743,847	1,177,304	1,067,642	2,799,447	1,700,361	2,355,626	4,724,793	1,574,550	3,579,094
<b>Total revenues</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>314,869,587</b>
<b>EXPENDITURES</b>										
<b>Current</b>										
General government	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	25,261,581
Judicial	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	7,577,567
Public safety	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	133,515,411
Public works	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	24,000,767
Culture and recreation	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	10,133,219
Planning and community development	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	12,533,526
Urban redevelopment	1,239,530	787,315	754,499	737,761	755,744	1,097,947	856,024	917,804	2,071,464	2,053,273
Other	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	13,588,789
<b>Total current</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>228,664,133</b>
<b>Capital outlay</b>										
General government					42,591	135,779	76,881	165,443	445,882	170,219
Public safety		388,294	21,541	24,261	852,404	797,182	475,516	862,098	2,815,140	8,666,220
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	17,041,487
Culture and recreation		830,499	1,210,489	420,468	3,700	1,900,735	1,634,620	1,989,272	1,242,403	2,871,575
Planning and community development							643,326	851,119	855,334	1,046,197
Urban redevelopment							86,162		154,868	3,971
Other	16,974,168				45,257				15,000	
<b>Total capital outlay</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>	<b>29,799,669</b>

(Continued)

# CITY OF RENO

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

	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	June 30, 2020
Debt service										
Principal payments	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	14,382,941
Interest expense and fiscal charges	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	15,896,331
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	70,000
Administrative and other costs	2,747,770	2,784,943	2,480,894	2,773,560	2,717,256	2,605,268	1,980,711	2,251,974	427,997	108,556
Total debt service	<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>	<u>30,457,828</u>
Total expenditures	<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>	<u>288,921,630</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<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>	<u>25,947,957</u>
OTHER FINANCING SOURCES (USES)										
Issuance of debt	17,091,000	2,167,075	366,602	79,940,715	187,512	112,710	7,295,000	232,495,415	85,165,000	6,327,000
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	935,745	160,188	555,513	4,496,279	187,437	41,256	35,795	2,202,415	46,716	2,191,499
Transfers in	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	18,193,973
Transfers out	(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)	(18,081,973)
Transfer of property held for sale to general capital assets			(36,336,594)							
Other	(218,949)									
Total other financing sources (uses)	<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>	<u>8,630,499</u>
CHANGE IN FUND BALANCE	<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>	<u>\$ 34,578,456</u>
Debt service as a percentage of noncapital expenditures	<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>	<u>11.69 %</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>
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 %
2020	349,066	6,505,817	3,167,149	951,987	314	61,880	(1,693,523)	9,342,690	0.9598	26,693,400	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 assessed 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 Rate	State of Nevada	School District	Washoe County	Special District
2011	0.9274	0.0182	0.9456	0.1700	1.1385	1.3917	0.0005
2012	0.9456		0.9456	0.1700	1.1385	1.3917	
2013	0.9598		0.9598	0.1700	1.1385	1.3917	
2014	0.9598		0.9598	0.1700	1.1385	1.3917	
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	
2020	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	
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
2020	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 Percentages, 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	2020			2011		
	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	\$ 110,999	1	1.19 %	\$ 93,472	1	1.54 %
Gage Village Commercial Dev LLC	63,136	2	0.68 %	23,379	7	0.39 %
ICON Reno Property Owner Pool 3 NE	54,771	3	0.59 %			%
Golden Road Motor Inn Inc	50,801	4	0.54 %	43,655	2	0.72 %
Circus & Eldorado Joint Venture	49,982	5	0.53 %	37,127	3	0.61 %
Toll NV Limited Partnership	48,122	6	0.52 %			%
MPT of Reno LLC	47,994	7	0.51 %			%
AGNL Slots LLC	32,030	8	0.34 %			%
Icon Reno Prop Owner Pool 6 West	25,711	9	0.28 %			%
Charles Rivers Laboratories Inc	23,461	10	0.25 %	22,941	8	0.38 %
Reno Retail Company LLC				22,306	9	0.37 %
Prologis NA3 NV V LLC				23,994	6	0.40 %
Prologic NA3 LLC				30,143	4	0.50 %
International Gaming Technology (IGT)				29,653	5	0.49 %
Catholic Healthcare West Inc				19,541	10	0.32 %
	<u>\$ 507,007</u>		<u>5.43 %</u>	<u>\$ 346,211</u>		<u>5.72 %</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>
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 %	236	62,828	99.9380 %
2020	67,720	67,484	99.6515 %		67,484	99.6515 %

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, 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	June 30, 2020
Business licenses	\$ 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	\$ 16,950,200
City gaming licenses	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	1,210,573
Liquor licenses	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	1,710,670
Non-business licenses and permits	33,131	77,764	45,549		3,306	5,096	9,052	8,372		8,073
Electricity franchise fees	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	10,087,371
Telephone franchise fees	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	2,693,005
Natural gas franchise fees	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	3,908,825
Sanitation franchise fees	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	4,898,138
Water toll fees	1,448,400	1,511,903	2,306,041							
Sewer-in-lieu-of-franchise fees	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	3,996,315
Cable television fees	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	2,330,550
Marijuana Sales (3%)										1,307,906
	<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>	<u>\$ 49,101,626</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>			
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	3.34 %	1,906
2018	45,506	20,727	364,443	10,849	12,058	53,710		507,293	3.29 %	2,039
2019	37,476	18,932	377,403	9,425	10,660	48,147		502,043	3.11 %	1,967
2020	41,213	17,019	370,910	8,084	9,251	45,043		491,520	3.04 %	1,926

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, 2020**

**IN THOUSANDS**

**(UNAUDITED)**

	Outstanding Debt <sup>3</sup>	Percent Applicable <sup>5</sup>	Applicable General Obligation Debt
City of Reno	<sup>1</sup> \$ 491,520	10.270 %	\$ <u>50,479</u>
Overlapping governments			
Washoe County School District	<sup>2</sup> <sup>4</sup> 1,035,502	48.430 %	501,494
Washoe County	<sup>4</sup> 131,016	48.430 %	63,451
State of Nevada	<sup>4</sup> _____	6.850 %	_____
Total overlapping governments	<u>1,166,518</u>		<u>564,945</u>
Total direct and overlapping debt	<u><u>1,658,038</u></u>		<u><u>\$ 615,424</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.
5. Calculation based on present assessed valuation of Reno compared to Washoe County, Washoe Co. School District, and State of Nevada, respectively.

# 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
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 %	336	425	85,198
2020	41,213	45,043	86,256	0.32 %	338	425	85,831

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 boundries 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, 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	June 30, 2020
Total taxable assessed property value	<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>	<u>\$ 9,342,690</u>
Legal debt Margin										
Legal debt limit (15% of taxable assessed property value)	<u>\$ 910,202</u>	<u>\$ 850,673</u>	<u>\$ 813,359</u>	<u>\$ 814,076</u>	<u>\$ 895,751</u>	<u>\$ 960,356</u>	<u>\$ 1,037,165</u>	<u>\$ 1,086,445</u>	<u>\$ 1,294,773</u>	<u>\$ 1,401,404</u>
Debt applicable to debt limit Net general bonded debt	<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>	<u>85,831</u>
Legal debt margin	<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>	<u>\$ 1,315,573</u>
Total debt applicable to debt limit as a percentage of debt limit	<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>	<u>93.88 %</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

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

Senior Lien Sales and Room Tax Revenue (ReTRAC) Bonds <sup>2</sup>						
Debt Service						
For the Year Ended June 30,	Room Tax Collections <sup>5</sup>	Sales Tax Collections <sup>5</sup>	Available Revenue	Principal	Interest	Coverage
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 %
2020	688,373	11,205,444	11,893,817	3,890,250	7,370,293	105.62 %

Capital Improvement (Events Center) Bonds <sup>3</sup>						
Debt Service						
For the Year Ended June 30,	Room Tax Collections <sup>6</sup>	Intergovernmental Consolidated Taxes (15%) <sup>6</sup>	Available Revenue	Principal	Interest	Coverage
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 %
2020	5,782,083	10,658,596	16,440,679	2,390,000	5,121,314	218.88 %

Sales Tax Anticipation Revenue (STAR) Bonds <sup>4</sup>						
Debt Service						
For the Year Ended June 30,	Sales Tax Increment Collections	Principal	Interest	Coverage		
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 %		
2020	1,308,375	1,965,000	1,225,300	41.01 %		

Special Assessment Bonds <sup>10</sup>						
Debt Service						
For the Year Ended June 30,	Special Assessment Collections <sup>7</sup>	Principal <sup>8</sup>	Interest	Coverage		
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 %		
2020	2,008,461	1,327,000	397,380	116.47 %		

(Continued)

# CITY OF RENO

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

Agency Special Assessment Bonds (Includes Sierra Corporation, Somerset and Double R) <sup>10</sup>				
Debt Service				
For the Year Ended June 30,	Special Assessment Collections	Principal <sup>8</sup>	Interest	Coverage
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 %
2020	1,376,394	1,025,000	151,335	117.01 %

Lease Revenue Bonds (ReTrac Properties & Fitzgerald Parking Garage) <sup>11</sup>				
Debt Service				
For the Year Ended June 30,	Property Lease/Rent Collections <sup>6</sup>	Principal <sup>9</sup>	Interest	Coverage
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 %
2020	965,132	737,000	112,113	113.66 %

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 Custodial 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 Custodial 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.

# 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						
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	13,960,007	57,070	35.1	39,669	2,959	4.0 %
2018	248,806	15,401,091	61,900	35.3	39,735	2,900	4.7 %
2019	255,170	16,159,406	63,328	35.5	42,466	3,084	3.4 %
2020	255,170	16,159,406	63,328	32.6	39,284	2,876	8.7 %

1. 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
AMERCO	10,000	1	4.25 %			%
Eldorado Resorts	7,500	2	3.19 %			%
Washoe County School District	7,500	3	3.19 %			%
Renown Health	5,500	4	2.34 %	2,250	4	0.96 %
University of Nevada - Reno	5,500	5	2.34 %	4,750	2	2.02 %
Washoe Health System	3,500	6	1.49 %			%
Washoe County	2,500	7	1.06 %			%
Peppermill Hotel Casino - Reno	2,500	8	1.06 %	2,250	5	0.96 %
Atlantis Casino Resort (Monarch)	2,500	9	1.06 %			%
Adams and Associates	2,500	10	1.06 %			%
Washoe County School District				7,750	1	3.29 %
Washoe County				2,750	3	1.17 %
Silver Legacy				1,750	7	0.74 %
St. Mary's				1,750	8	0.77 %
Atlantis Hotel Casino				1,750	9	0.74 %
IGT - International Gaming Technology				2,250	6	0.96 %
Grand Sierra Resort				1,750	10	0.74 %

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, 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	June 30, 2020
General government										
Management	5	49	46	48	44	47	44	51	51	46
Records management/cashiering		8	7	7	7	7	8	7	7	7
Finance	3	20	12	11	14	15	15	13	18	19
Legal		26	25	24	25	27	28	29	28	28
Human resources		9	11	6	9	9	12	11	10	9
Information technology		17	17	15	16	15	20	19	19	21
Judicial										
Judges		4	4	4	4	4	4	4	4	4
Others		53	53	49	44	44	43	44	46	46
Police										
Sworn employees		294	304	306	318	296	319	329	322	327
Non-commissioned employees		52	52	48	46	51	64	52	68	72
Fire										
Authorized emergency personnel		213	229	240	192	213	231	231	231	234
Fire prevention officers		14	15	12	12	12	14	14	14	16
Others		13	13	13	13	9	11	9	9	9
Public works										
Engineers		16	11	12	12	11	11	13	13	14
Fleet maintenance		11	10	10	10	11	10	10	11	11
Others		73	98	108	106	89	91	102	111	121
Planning and community development		19	26	23	23	27	25	25	46	28
Culture and recreation		43	49	40	69	69	71	71	73	74
Urban development										
Sanitary sewer		54	50	50	49	63	65	72	56	47
Building permits		22	20	20	27	27	44	51	35	35
Golf course	4	4	4	3					35	34
Animal shelter										
Dispatch services		54	53	51	53	47	53	53	54	54
Neighborhood services									25	27
<b>Total full-time equivalent employees</b>		<u>1,068</u>	<u>1,109</u>	<u>1,100</u>	<u>1,093</u>	<u>1,093</u>	<u>1,180</u>	<u>1,199</u>	<u>1,217</u>	<u>1,235</u>
		<u>1,271</u>								<u>1,271</u>

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. Rosewood Lakes Sold May 2014.
5. 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, 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	June 30, 2020
General government										
Active annual business licenses	22,329	23,506	23,457	23,634	23,851	25,173	25,363	24,478	25,766	22,518
Business license audits completed	288	185	282	296	311	231	202	186	174	116
Percentage of same day response to public requests for research of public documents	98 %	100 %	97 %	98 %	98 %	98 %	%	%	%	%
Total number of public records requests <sup>12</sup>							1,399	4,550	17,138	19,045
Average time in days to respond to public records requests <sup>12</sup>							1	7	6	5
Judicial										
Criminal cases prepared for trial (excl minor traffic cases)	4,786	3,107	3,774	2,971	2,843	2,256	2,916	3,149	3,152	2,573
Cases filed in municipal court	31,968	23,406	21,586	9,032	21,569	19,685	18,130	20,856	20,462	17,899
Cases adjudicated in municipal court	29,778	21,849	16,146	17,989	21,613	18,394	17,344	19,219	19,559	15,962
Police										
Physical arrests	10,668	10,386	10,444	10,713	10,400	10,134	10,410	11,644	11,212	9,445
Misdemeanor citations	2,381	2,627	2,254	2,246	2,135	2,289	2,566	3,191	3,316	1,878
Traffic-related offenses cited <sup>3</sup>	29,789	19,174	17,780	17,750	12,557	10,385	10,306	10,667	10,526	11,066
Fire										
Fire emergencies	10,636	11,068	8,141	8,870	10,468	8,424	10,915	13,253	13,634	14,441
Emergency medical calls	26,922	26,918	25,793	28,403	25,250	25,272	26,749	28,816	28,093	28,426
Inspections <sup>4</sup>	6,207	6,708	6,036	6,914	6,686	7,735	5,103	7,676	9,455	6,886
Public works										
Streets reported in "fair" or better condition	89 %	89 %	89 %	91 %	92 %	92 %	92 %	93 %	94 %	94 %
Pothole calls received <sup>11</sup>	136	132	71	54	63	52	274	212	361	123
Percent of pothole calls repaired within 24 hours	90 %	95 %	97 %	100 %	100 %	75 %	50 %	30 %	36 %	66 %
Culture and recreation										
Participants in senior recreation programs <sup>5</sup>	5,479	6,477	6,899	7,071	7,123	7,200	6,840	8,183	8,039	6,381
Participants in youth programs	4,372	4,356	4,395	4,672	4,709	3,928	4,240	4,575	5,059	5,838
Instructional swimming classes offered	1,198	1,228	1,242	1,233	923	925	1,084	1,595	748	855
Planning and community development										
Rental assistance for individuals previously homeless <sup>13</sup>								371	438	432
Affordable housing units developed <sup>6</sup>		29 <sup>8</sup>	58					360	7	
Housing rehabilitation projects completed	4,044	21	12	2,814	3,680	3,651	3,917	4,115	3,990	3,878
Sanitary sewer										
Lineal feet of sewer lines and storm drains maintained (in millions)	7	7	7	7	7	7	7	7	7	7
Golf course										
Cost per acre per year to maintain golf courses <sup>6</sup> \$	4,200	4,200	4,200	\$	\$	\$	\$	\$	\$	\$
Building permits										
Building permits issued	5,510	5,348	6,211	6,846	7,345	9,080	9,058	10,101	10,323	9,625
Average number of monthly building inspections performed	2,190	2,750	2,748	3,115	3,423	3,423	4,782	5,126	5,324	6,626

(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 number of fire emergencies.
5. FY 2009/10 Senior Programming figures now include participation at the Neil Road 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.
14. In FY 20 updated FY 19 to reflect adjusted number of youth participants.



# CITY OF RENO

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

Function/program	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	June 30, 2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	2	2		1	1	2	2	2
Patrol units	239	242	243	250	248	245	288	284	286	329
Fire										
Stations	13	14	14	14	14	14	14	14	14	14
Fire fighting vehicles	4	36	36	29	29	31	34	35	36	33
Specialty response fire vehicles	4					26	26	26	26	17
Ambulances	5					2	4	4	4	2
Public works										
Paved streets (miles)	681	681	681	681	689	691	709	710	723	730
Unpaved streets (miles)	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Acreage	2,741	2,741	2,741	2,741	2,741	2,741	2,744	2,744	2,745	2,834
Park facilities	85	85	85	85	85	85	85	85	86	88
Playgrounds	51	51	51	51	51	51	51	51	51	52
Swimming pools	5	5	4	4	4	4	4	4	4	4
Sanitary sewer										
Sanitary sewer lines (miles)	756	756	756	751	769	769	784	786	803	817
Storm drains (miles)	481	481	481	528	528	528	530	534	548	562
Treatment capacity millions of gallons)	44	44	44	44	44	46	46	40	44	45
Golf courses	3	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



# **BUSINESS LICENSE FEES**



# CITY OF RENO

## SCHEDULE OF BUSINESS LICENSE FEES

### FOR THE YEAR ENDED JUNE 30, 2020

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, 2020		\$	14,618,054
Business license revenue for the year ended June 30, 2019 (base year)		\$	14,776,745
Adjustment to base year			
Percentage change in Consumer Price Index			<u>2.80 %</u>
Total adjustment to base year			<u>413,749</u>
Adjusted business license revenue base for the year ended June 30, 2020			<u>15,190,494</u>
Amount under allowable maximum		\$	<u>(572,440)</u>

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

Business license revenue for the year ended June 30, 2020		\$	6,467,505
Business license revenue for the year ended June 30, 2019 (base year)		\$	13,645,064
Adjustment to base year			
Percentage change in local government population			0.99 %
Percentage change in Consumer Price Index			<u>2.80 %</u>
Total adjustment to base year			<u>3.79 %</u>
Adjusted business license revenue base for the year ended June 30, 2020			<u>517,148</u>
Adjusted business license revenue base for the year ended June 30, 2020			<u>14,162,212</u>
Amount under allowable maximum		\$	<u>(7,694,707)</u>



# **AUDITOR COMMENTS**





**CITY OF RENO**

**SCHEDULE OF FINDINGS AND RESPONSES**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**Financial Statement Finding – Required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards***

None reported

