



REPORTS OF INDEPENDENT AUDITORS AND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**CITY OF RENO, NEVADA
FEDERAL GRANT PROGRAMS**

June 30, 2021

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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and City Council Members
City of Reno, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Reno, Nevada (the “City”) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 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 entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Mass Adams LLP

Medford, Oregon
December 22, 2021

Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Honorable Mayor and City Council Members
City of Reno, Nevada

Report on Compliance for Each Major Federal Program

We have audited the City of Reno, Nevada's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 22, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Moss Adams LLP

Medford, Oregon
January 28, 2022

City of Reno, Nevada
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal Award Number or Pass-Through Award Number	Federal Expenditures	Payments to Subrecipients
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
Watershed Rehabilitation Program	10.916	NR209327XXXXC001	\$ 168,083	-
Total U.S. Department of Agriculture			<u>168,083</u>	<u>-</u>
<u>U.S. Department of Commerce</u>				
Direct Programs:				
Investments for Public Works & Economic Development Facilities Economic Development Cluster	11.300	07-01-07561	1,297,595	-
Total U.S. Department of Commerce			<u>1,297,595</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
<i>CDBG Entitlement Cluster</i>				
Community Development Block Grants-Entitlement	14.218		1,144,449	-
COVID-19 Community Development Block Grants-CV	14.218	B-20-MW-32-0002	1,068,184	-
Passed through the City of Sparks				
<i>CDBG Entitlement Cluster</i>				
Community Development Block Grants-Entitlement	14.218	B-19-COR	112,320	-
Total CDBG Entitlement Cluster			<u>2,324,953</u>	<u>-</u>
Direct Programs:				
Emergency Solutions Grants Program	14.231		170,862	-
COVID-19 Emergency Solutions Grants Program CV	14.231	E-20-MW-32-00002	1,513,969	-
Passed through Nevada State Housing Division:				
COVID-19 Emergency Solutions Grants Program CV	14.231	E-20-DW-32-0001	4,967	-
Sub-total ALN 14.231			<u>1,689,798</u>	<u>-</u>
Direct Programs:				
HOME Investment Partnerships Program	14.239		1,461,244	-
Passed through Nevada State Housing Division:				
HOME Investment Partnerships Program	14.239	--	292,468	-
Sub-total ALN 14.239			<u>1,753,712</u>	<u>-</u>

See notes to schedule of expenditures of federal awards.

City of Reno, Nevada
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal Award Number or Pass-Through Award Number	Federal Expenditures	Payments to Subrecipients
Direct Programs:				
Continuum of Care Program	14.267	NV0121L9T011900	16,416	-
Continuum of Care Program	14.267	NV0121L9T011902	25,000	-
Sub-total ALN 14.267			41,416	-
Total U.S. Department of Housing and Urban Development			5,809,879	-
<u>U.S. Department of Justice</u>				
Direct Programs:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1396	257,441	-
Crime Victim Assistance Discretionary Grant	16.582	2019-V3-GX-0141	63,065	-
Harold Rogers Prescription Drug Monitoring Program	16.754	2018-AR-BX-K093	381,178	80,667
<i>JAG Program:</i>				
Edward Byrne Memorial Justice Assistance Grant Program-FY17	16.738	2017-DJ-BX-0396	14,095	12,225
Edward Byrne Memorial Justice Assistance Grant Program-FY18	16.738	2018-DJ-BX-0440	53,620	47,599
Edward Byrne Memorial Justice Assistance Grant Program-FY19	16.738	2019-DJ-BX-0830	107,646	68,527
Edward Byrne Memorial Justice Assistance Grant Program-FY20	16.738	2020-DJ-BX-0494	52,001	52,001
Edward Byrne Memorial Justice Assistance Grant Program-FY18	16.738	2018-WY-BX-0005	57,210	13,571
Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	18-JAG-33	43,919	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20-JAG-19	18,330	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	18-JAG-34	13,148	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20-JAG-20	9,754	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	18-JAG-39	36,051	-
Sub-total ALN 16.738			405,774	193,923

City of Reno, Nevada
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal Award Number or Pass-Through Award Number	Federal Expenditures	Payments to Subrecipients
Direct Programs:				
Equitable Sharing Program	16.922		213,301	-
Drug Court Discretionary Grant Program - Reno Veterans Treatment Court	16.585	2018-VC-BX-0014	46,732	-
Drug Court Discretionary Grant Program - Fresh Start Therapeutic Program	16.585	2020-DC-BX-0163	44,904	-
Drug Court Discretionary Grant Program - CAMO-RNO VTC	16.585	2020-VC-BX-0162	20,572	-
Drug Court Discretionary Grant Program - Reno Municipal Court	16.585	2020-DC-BX-0040	292	-
Passed through Center for Court Innovation:				
Drug Court Discretionary Grant Program (Community Court)	16.585	FFY 19-42-2362	26,190	-
Sub-total ALN 16.585			138,690	-
Passed through Nevada Department of Health and Human Services, Division of Child and Family Services:				
Crime Victim Assistance Grant	16.575	16575-18-039	40,991	-
Crime Victim Assistance Grant	16.575	16575-19-052	150,463	-
Crime Victim Assistance Grant	16.575	16575-19-118	22,870	-
Sub-total ALN 16.575			214,324	-
Passed through CARE Coalition:				
Project Safe Neighborhoods	16.609	2019-GP-BX-0068	31,562	-
Passed through Nevada Office of Attorney General:				
Sexual Assault Kit Grant	16.833	2016-SAKI-09	39,037	-
Total U.S. Department of Justice			1,744,372	274,590
<u>U.S. Department of Transportation</u>				
Direct Programs:				
High Priority Motor Carrier Safety Assistance Program FMCSA Cluster	20.237	FM-MHP-0467-19-01-OC	106,982	-

City of Reno, Nevada
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal Award Number or Pass-Through Award Number	Federal Expenditures	Payments to Subrecipients
Passed through Nevada Department of Public Safety, Office of Traffic Safety:				
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	JF-2021-RPD-00034	38,052	-
State and Community Highway Safety	20.600	JF-2020-RPD-00022	32,406	-
State and Community Highway Safety	20.600	TS-2021-RPD-00111	12,343	-
State and Community Highway Safety	20.600	TS-2021-RPD-00106	16,654	-
National Priority Safety Program	20.616(d)	TS-2020-RPD-00057	15,643	-
National Priority Safety Program	20.616(h)	TS-2020-RPD-00064	11,960	-
National Priority Safety Program	20.616(h)	TS-2021-RPD-00105	19,967	-
<i>Total Highway Safety Cluster</i>			147,025	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	TS-2021-RPD-00107	26,432	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	JF-2021-RPD-00034	16,460	-
Sub-total ALN 20.608			42,892	-
Passed through Nevada Department of Transportation				
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction Project Grant (TAP Program)	20.205	PR215-20-063	31,056	-
Total U.S. Department of Transportation			327,955	-
<u>US Department of the Treasury</u>				
Direct Program:				
COVID-19 Emergency Rental Assistance Program	21.023		5,996,983	5,700,000
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		1,496	-
Passed thru Nevada Office of the Governor				
COVID-19 Coronavirus Relief Fund	21.019		26,244,612	-
Total US Department of the Treasury			32,243,091	5,700,000

City of Reno, Nevada
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Award Number or Pass-Through Award Number</u>	<u>Federal Expenditures</u>	<u>Payments to Subrecipients</u>
<u>National Endowment of the Arts</u>				
Direct Programs:				
Promotion of the Arts Grants to Organizations and Individuals	45.024	1848339-62-19	30,000	-
Promotion of the Arts Grants to Organizations and Individuals	45.024	1879385-95-20	295,590	-
Total National Endowment of the Arts			<u>325,590</u>	<u>-</u>
<u>U.S. Department of Veterans Affairs</u>				
Direct Programs:				
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034	SPORTS-19-017	25,825	-
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034	SPORTS-20-15	37,504	-
Passed through Nevada Department of Veterans Services				
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	64.034	Sports-20-90-RENO	1,593	-
Total U.S. Department of Veterans Affairs			<u>64,922</u>	<u>-</u>
<u>U.S. Environmental Protection Agency</u>				
Direct Programs:				
Brownsfields Assessments and Cleanup Cooperative Agreement	66.818	98T07301	27,105	-
Passed through Nevada Division of Environmental Protection				
State Clean Diesel Grant Program (ARRA)	66.040	DEP-S20-054	271,419	-
<i>Clean Water State Revolving Fund Cluster</i>				
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS-32000118	346,834	-
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS-32000119	4,695,422	-
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS-32000120	2,887,759	-
Total Clean Water State Revolving Fund Cluster			<u>7,930,015</u>	<u>-</u>
Total U.S. Environmental Protection Agency			<u>8,228,539</u>	<u>-</u>

City of Reno, Nevada
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal Award Number or Pass-Through Award Number	Federal Expenditures	Payments to Subrecipients
<u>U.S. Department of Homeland Security</u>				
Direct Programs:				
Assistant to Firefighters Grant	97.044	EMW-2019-FP-00037	7,844	-
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2018-FH-00040	716,152	-
Passed through State of Nevada Department of Public Safety, Division of Emergency Management:				
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	PA-09-NV-4523	75,456	-
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	97036 PW140038	1,720	-
Sub-total ALN 97.036			77,176	-
Emergency Management Performance Grant	97.042	97042.16	164,627	-
Emergency Management Performance Grant	97.042	97042.20S	2,449	-
Sub-total ALN 97.042			167,076	-
Homeland Security Formula Grant	97.067	EMW-2020-SS-00056	130,789	-
Passed through the United Way:				
Emergency Food and Shelter National Board Grant	97.024	LRO-589600-023	145,000	-
Total U.S. Department of Homeland Security			1,244,037	-
Total Expenditures of Federal Awards			\$ 51,454,063	\$ 5,974,590

City of Reno, Nevada
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Reno, Nevada (the City) under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the City.

Note 2 – Summary of Significant Accounting Policies

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

Note 3 – Indirect Cost Rate

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

Note 4 – Outstanding Loan Balances

The federal loan programs listed below are administered directly by the City, and balances and transactions relating to these programs are included in the City's basic financial statements. Loans made during the year are included in the federal expenditures presented in the Schedule. Outstanding balances do not have continuing compliance requirements.

At June 30, 2021, outstanding loan balances were as follows:

Federal Assistance Listing Number	Program Title	Loan Balance Receivable
14.239	HOME Investment Partnerships Program	\$ 41,369,410
		<u>\$ 41,369,410</u>

City of Reno, Nevada
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs and type of auditor’s report issued on compliance for major federal programs:

<i>Federal Assistance Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
14.231	COVID-19 Emergency Solutions Grant Program	Unmodified
66.458	Clean Water State Revolving Fund Cluster	Unmodified
21.023	COVID-19 Emergency Rental Assistance Program	Unmodified
21.019	COVID-19 Coronavirus Relief Fund	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 1,543,622

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

