

CROPPER ROWE, LLP

CERTIFIED PUBLIC ACCOUNTANTS

**HOUSING AUTHORITY
OF THE CITY OF RENO
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2016**

(Including Auditors' Report Thereon)



HOUSING AUTHORITY OF THE CITY OF RENO
ANNUAL FINANCIAL REPORT
JUNE 30, 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of the
City of Reno
Reno, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Reno, Nevada, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority'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.

Auditors' 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 entity'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 entity'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the one major fund of the Housing Authority of the City of Reno, Nevada, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 4 through 11, the Schedule of Funding Progress for Other Post Employment Benefits on page 35, the Schedule of the Authority's Proportionate Share of the Net Pension Liability and the Schedule of the Authority's Pension Plan Contribution on page 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 performed for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Reno, Nevada's basic financial statements. The Schedule of Expenditures of Federal Awards on page 37 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the accompanying Financial Data Schedule on pages 39 through 52 is required by the U.S. Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and the Financial Data Schedule are the responsibility of management and were derived 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 Schedule of Expenditures of Federal Awards and the Financial Data Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2016 on our consideration of the Housing Authority of the City of Reno, Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of the City of Reno, Nevada's internal control over financial reporting and compliance.

Casper Row, LLP

Walnut Creek, California
December 20, 2016

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

As management of the Housing Authority of the City of Reno (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2016.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the fiscal year resulting in a net position of \$47,389,361 at June 30, 2016.
- The total net position of the Authority decreased from \$47,623,578 at June 30, 2015 to \$47,389,361 at June 30, 2016. The total unrestricted net position at June 30, 2016 is \$7,284,407. This amount may be used to meet the Authority's ongoing obligations.
- Total assets and deferred outflow of resources increased from \$57,807,897 at June 30, 2015 to \$59,903,050 at June 30, 2016 an increase of \$2,095,153.
- Net capital assets decreased from \$41,570,604 at June 30, 2015 to \$40,276,852 at June 30, 2016. This decrease of \$1,293,752 was the result of net additions and sales of capital assets less depreciation expense for fiscal year 2016 (See Note 3).
- Total liabilities and deferred inflows of resources increased from \$10,184,318 at June 30, 2015 to \$12,513,689 at June 30, 2016 an increase of \$2,329,371.
- Revenues for fiscal year 2016 from all programs totaling \$49,457,562 consisted of federal grants and subsidies of \$43,340,967, and rental, interest, and other income of \$6,116,595. This represents an increase of \$40,227 of the total revenues of \$49,417,335 for fiscal year 2015.
- Total expenses for all programs for fiscal year 2016 were \$49,691,779. This represents a decrease in expenses of \$1,513 from the total fiscal year 2015 expenses of \$49,693,292.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which are comprised of the Proprietary Funds - Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

Government-wide Financial Statements

The Statement of Net Position, and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's activities. These two statements report the net position of the Authority and changes in net position. The Authority's net position, (the difference between assets and liabilities), is one way to measure financial health or financial position of the Authority. Over time, increases or decreases in the Authority's net position is one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation, should be taken into consideration to determine the overall financial condition of the Authority.

The Financial Statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis in evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its grant revenues, rental income, and other charges and profitability. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

As previously stated, enterprise funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of the enterprise funds are included on the statement of net position. The focus of enterprise funds is on income measurement, which together with the maintenance of equity, is an important financial indicator.

The Authority's Programs

Moving-To-Work Program – Effective July 1, 2014 the Authority began administering the Moving-To-Work Demonstration Program (MTW). The Moving-To-Work Program is a demonstration program recently implemented and funded by the U.S. Department of Housing and Urban Development (HUD). The Moving-to-work program was awarded to the Authority under a five year funding agreement which became effective on June 27, 2014 and expires June 30, 2018. The Authority's MTW Demonstration Program applies to several of the Authority's programs that were previously administered under other HUD funded programs. The MTW program replaces the Housing Choice Voucher Program, the Public and Indian Housing Program, and the Public Housing Capital Fund Program that were administered by the Authority during its fiscal year 2014 and previous fiscal years.

Programs other than the Moving-to-Work Program administered by the Authority during fiscal year 2016 include the following:

Section 8 Housing Assistance Payments Program – Under the Section 8 Housing Assistance Payments Program the Authority is the Contract Administrator for the State of Nevada charged with carrying out 16 incentive Based Performance Standards for HUD. Typical standards include approving tenant payments, processing rental adjustments, life threatening and non-life threatening health and safety issues, and conducting Management and Occupancy Reviews. Approximately 40 projects and 3,182 units are covered by this contract. The contract started October 1, 2000 with an initial two year period and three one-year renewal options. Since then the Authority has been awarded several renewals, the most recent of which expires June 30, 2016.

Section 8 Moderate Rehabilitation Program – Under the Section 8 Moderate Rehabilitation Program, the Authority administers contracts with landlords. This program is similar to the Housing Choice Voucher Program. This program is down to only one landlord with less than 10 units.

Business Activities – This represents non-HUD resources developed from a variety of activities that consist basically of housing units not receiving Federal financial assistance.

Resident Opportunity and Supportive Services – This is a grant from HUD designed to help provide tenants with skills necessary to seek, obtain and maintain better employment.

Shelter Plus Care – Shelter Plus Care is a program where the Authority can obtain contract funding through the State of Nevada and provide physical inspections.

Community Development Block Grants / Economic Development Initiative – The Economic Development Initiative Special Project Grant is a program to carry out projects to redevelop abandoned, idled or underutilized real property.

Neighborhood Stabilization Programs (NSP) – This program was established for the purpose of stabilizing communities that had suffered from property foreclosures and abandonment. The stabilization is to be achieved through the purchase and redevelopment of foreclosed and abandoned homes and residential properties.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Required Supplementary Information

The Schedule of Funding Progress for OPEB, the Schedule of the Authority's Proportionate Share of Net Pension Liability, the Schedule of the Authority's Pension Plan Contributions, the Schedule of Expenditures of Federal Awards, and the Schedule of Completed Capital Fund Projects are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, the Governmental Accounting Standards Board (GASB), and the U.S. Department of Housing and Urban Development regulations. These schedules can be found in the Supplementary Information sections of this report.

Net Position

A summary of the Authority's Statements of Net Position is presented in Table 1. As can be seen from Table 1, the net position decreased \$234,217 to \$47,389,361 in Fiscal 2016 down from \$47,623,578 in fiscal 2015.

TABLE 1
Condensed Statements of Net Position

	<u>2016</u>	<u>2015</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Assets and Deferred Outflows:				
Current assets	\$ 16,548,004	\$ 14,566,991	\$ 1,981,013	13.6%
Notes receivable	685,000	855,000	(170,000)	(19.9)%
Capital assets	40,276,852	41,570,604	(1,293,752)	(3.1)%
Deferred outflows	<u>2,393,194</u>	<u>815,302</u>	<u>1,577,892</u>	193.5%
Total Assets and Deferred Outflows	<u>\$ 59,903,050</u>	<u>\$ 57,807,897</u>	<u>\$ 2,095,153</u>	3.6%
Liabilities and Deferred Inflows:				
Current liabilities	\$ 1,742,414	\$ 1,366,407	\$ 376,007	27.5%
Noncurrent liabilities	7,956,491	7,513,994	442,497	5.9%
Deferred inflows	<u>2,814,784</u>	<u>1,303,918</u>	<u>1,510,866</u>	115.9%
Total Liabilities and Deferred Inflows	<u>12,513,689</u>	<u>10,184,319</u>	<u>2,329,370</u>	22.9%
Net Position				
Net investment in capital assets	38,553,048	39,633,502	(1,080,454)	(2.7)%
Restricted net position	1,551,906	1,117,471	434,435	38.9%
Unrestricted net position	<u>7,284,407</u>	<u>6,872,605</u>	<u>411,802</u>	6.0%
Total Net Position	<u>\$ 47,389,361</u>	<u>\$ 47,623,578</u>	<u>\$ (234,217)</u>	(0.5)%

For more detailed information concerning the Statement of Net Position for fiscal year 2016 see the Statement of Net Position on page 12 of this report.

The following schedule compares the revenues and expenses for the current and previous fiscal years. The Authority is only engaged in business-type activities.

TABLE 2
Statement of Revenues, Expenses, and
Changes in Net Position
For the Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>	<u>Dollar Change</u>	<u>Total % Change</u>
<u>Revenues</u>				
Grants	\$ 43,340,967	\$ 43,050,472	\$ 290,495	0.7%
Rental income	5,791,264	5,673,154	118,110	2.1%
Interest income	54,255	45,269	8,986	19.9%
Other income	<u>271,076</u>	<u>648,440</u>	<u>(377,364)</u>	(58.2)%
Total Revenues	<u>49,457,562</u>	<u>49,417,335</u>	<u>40,227</u>	0.1%
<u>Expenses</u>				
Administrative	6,222,924	5,643,604	579,320	10.3%
Utilities	879,449	914,923	(35,474)	(3.9)%
Maintenance	2,677,466	2,591,745	85,721	3.3%
Tenant services	408,744	455,067	(46,323)	(10.2)%
Housing assistance payments	36,622,551	37,111,012	(488,461)	(1.3)%
General	572,003	423,490	148,513	35.1%
Interest expense	76,718	127,651	(50,933)	(39.9)%
Loss on sale of capital assets	7,072	170,283	(163,211)	(95.8)%
Depreciation and amortization	<u>2,224,852</u>	<u>2,255,517</u>	<u>(30,665)</u>	(1.4)%
Total Expenses	<u>49,691,779</u>	<u>49,693,292</u>	<u>(1,513)</u>	0.0%
Increase (Decrease) in Net Position	<u>\$ (234,217)</u>	<u>\$ (275,957)</u>	<u>\$ 41,740</u>	15.1%

For more detail concerning the Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year 2016 see the Statement of Revenues, Expenses, and Changes in Net Position on page 13 of this report.

Capital Assets and Debt Administration

Capital Assets

As of year-end, the Authority had \$40,276,852 of net capital assets as is reflected in the following Table 3, which represents a net decrease of \$1,293,752 from the 2015 fiscal year's ending balance.

TABLE 3

	<u>2016</u>	<u>2015</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Land	\$ 9,524,715	\$ 9,553,980	\$ (29,265)	(0.3)%
Buildings	30,548,099	31,770,371	(1,222,272)	(3.8)%
Furniture and equipment	<u>204,038</u>	<u>246,253</u>	<u>(42,215)</u>	(17.1)%
Net capital assets	<u>\$ 40,276,852</u>	<u>\$ 41,570,604</u>	<u>\$ (1,293,752)</u>	(3.1)%

For more detail pertaining to the Authority's capital assets please see Note 3 the financial statements on page 22 of this report.

Debt Administration

As of year-end, the Authority had \$1,723,803 of long-term notes and bonds payable as is reflected in the following Table 4, which represents a net decrease of \$213,298 from the 2015 fiscal year's ending balance.

TABLE 4

	<u>2016</u>	<u>2015</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Bonds payable	\$ 1,191,500	\$ 1,399,000	\$ (207,500)	(14.8)%
Notes payable	<u>532,303</u>	<u>538,101</u>	<u>(5,798)</u>	(1.1)%
Total bonds and notes payable	<u>\$ 1,723,803</u>	<u>\$ 1,937,101</u>	<u>\$ (213,298)</u>	(11.0)%

For more detail pertaining to the Authority's bonds and notes payable please see Note 4 to the financial statements on page 22 of this report.

Economic Factors

Significant economic factors affecting the Authority and its goals to provide affordable housing to the residents of Washoe County, Nevada, which includes several cities such as Reno and Sparks, Nevada include:

- Local economic and employment trends that affect resident incomes and in correlation impact the amount of rental income earned by the Authority. Washoe County (including Reno and Sparks) continues to improve after global recession. In the Reno-Sparks region the October 2016 unemployment rate stood at 4.5%, a significant drop from 2015's record low of 6.6%. This is slightly less than the national unemployment rate of 4.8%.
- The Authority receives a majority of its federal grant funding each year from HUD. The Authority's financial operations are significantly affected by the annual appropriations from HUD. Based upon authorized funding notifications received from HUD for fiscal year 2016 the Authority does not anticipate significant reductions in federal grant funding for fiscal 2016 versus the funding received for its 2016 fiscal year. Therefore, the Authority does not anticipate any significant reductions in service levels it provides or reductions in the number and types of programs it currently administers.
- Local property rental availability and rental rates, which influences the amounts of Housing Assistance Payments required by the Authority to subsidize tenants' rents under several of the Authority's most significant federally funded programs. The vacancy rate in the Reno rental market has been decreasing the past several quarters and the average rents in the Reno market continues to increase compared to fiscal year 2015. The construction and real estate sector continues to hold the higher percentage growth in Washoe County and statewide.
- Note that "Other Income" decreased 58.2% from 2015 to 2016 for the Authority due to the fact that the Authority sold a significant number of capital assets in 2015 but not in 2016.

Request for information

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Ms. April Lawson, Director of Administration, Housing Authority of the City of Reno, 1525 E. Ninth Street, Reno, NV 89512, telephone number (775) 329-3630.

HOUSING AUTHORITY OF THE CITY OF RENO
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
JUNE 30, 2016

	<u>Enterprise Housing Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash and investments (Note 2)	\$ 16,008,521
Due from other governments	280,437
Accounts receivable - other	60,553
Interest receivable	6,891
Notes receivable	66,459
Prepaid expenses	59,143
Inventory	66,000
Total current assets	<u>16,548,004</u>
Noncurrent Assets:	
Notes receivable	685,000
Capital assets, net of accumulated depreciation of \$47,970,400 (Note 3)	<u>40,276,852</u>
Total non-current assets	<u>40,961,852</u>
Total assets	57,509,856
Deferred Outflows of Resources	<u>2,393,194</u>
Total assets and deferred outflow of resources	<u>\$ 59,903,050</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable-vendors	\$ 222,000
Due to other agencies	262,652
Tenant security deposits	435,161
Accrued payroll	163,667
Other accrued liabilities	398,452
Notes payable - current (Note 4)	226,625
Compensated absences (Note 5)	<u>33,857</u>
Total current liabilities	<u>1,742,414</u>
Noncurrent Liabilities:	
OPEB Obligation (Note 7)	287,518
Compensated absences (Note 5)	304,722
Notes payable (Note 4)	1,497,178
Accrued pension liability (Note 8)	5,714,641
Other noncurrent liabilities	<u>152,432</u>
Total noncurrent liabilities	<u>7,956,491</u>
Total liabilities	9,698,905
Deferred Inflows of Resources	<u>2,814,784</u>
Total liabilities and deferred inflows of resources	<u>12,513,689</u>
<u>NET POSITION</u>	
Net investment in capital assets	38,553,048
Restricted	1,551,906
Unrestricted	<u>7,284,407</u>
Total net position	<u>\$ 47,389,361</u>

See accompanying notes to the financial statements.

**HOUSING AUTHORITY OF THE CITY OF RENO
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION -
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Enterprise Housing Fund</u>
<u>Operating Revenues</u>	
Grants	\$ 43,340,967
Rental income	5,791,264
Other	<u>271,076</u>
Total operating revenues	<u>49,403,307</u>
 <u>Operating Expenses</u>	
Administrative	6,222,924
Utilities	879,449
Maintenance	2,677,466
Tenant services	408,744
General	572,003
Housing assistance payments	36,622,551
Depreciation and amortization	<u>2,224,852</u>
Total operating expenditures	<u>49,607,989</u>
Operating income (loss)	<u>(204,682)</u>
 <u>Non-Operating Revenues (Expenses)</u>	
Investment income	54,255
Loss on sale of capital assets	(7,072)
Interest expense	<u>(76,718)</u>
Total non-operating revenue (loss)	<u>(29,535)</u>
Change in net position	(234,217)
Beginning net position	<u>47,623,578</u>
Ending net position	<u>\$ 47,389,361</u>

See accompanying notes to the financial statements.

**HOUSING AUTHORITY OF THE CITY OF RENO
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Enterprise Housing Fund</u>
<u>Cash flows from operating activities:</u>	
Cash received from grants	\$ 43,142,603
Cash received from rents	5,760,925
Other cash receipts	429,672
Cash payments to employees for services	(6,567,915)
Cash payments to suppliers for goods and services	(3,345,076)
Cash payments to landlords	<u>(36,534,010)</u>
Net cash provided (used) in operating activities	<u>2,886,199</u>
<u>Cash flows from capital and related financing activities:</u>	
Acquisition of capital assets	(938,172)
Principal paid on capital debt	(213,298)
Interest paid on capital debt	<u>(76,718)</u>
Net cash (used) by capital and related financing activities	<u>(1,228,188)</u>
<u>Cash flows from investing activities:</u>	
Interest received	<u>55,820</u>
Net cash provided by investing activities	<u>55,820</u>
Net increase (decrease) in cash	1,713,831
Cash at beginning of year	<u>14,294,690</u>
Cash at end of year	<u>\$ 16,008,521</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating income (loss)	\$ (204,682)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	2,224,852
Changes in assets and liabilities:	
Decrease (increase) in:	
Accounts receivable other governments	(198,364)
Tenants' accounts receivable	(30,339)
Other receivables	(23,736)
Increase in prepaid expenses	(37,740)
Inventories	9,100
Notes receivable	182,332
Deferred outflows of resources	(1,577,892)
Increase (decrease) in:	
Accounts payable and accrued liabilities	274,973
Amounts due other governments	88,541
Compensated absences	5,962
OPEB payable	3,662
Pension liability	658,664
Deferred inflows of resources	<u>1,510,866</u>
Net cash provided (used) in operating activities	<u>\$ 2,886,199</u>

See accompanying notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1 - DEFINITION OF REPORTING ENTITY

The accounting policies of the Housing Authority of the City of Reno (the Authority) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental agencies. The following is a summary of the more significant policies.

A. Definition of Reporting Entity

The Housing Authority of the City of Reno, Nevada (the Authority) was established on August 8, 1940 by a resolution of the City of Reno City Council. The Authority is a public body corporate and politically organized pursuant to the laws of Chapter 315 of the State of Nevada. The Authority is governed by a five member Board of Commissioners. The City Council appoints the members of the Board of Commissioners to a maximum of two four year terms.

Although they are legally separate entities from the Authority, the Washoe Affordable Housing Corporation and Transitional Housing Corporation are reported as if they were part of the Authority because their sole purpose is to work in conjunction with the Authority to assist with the provision of housing for low and moderate individuals, and the members of the Board of Commissioners of the Authority act as members of the Board of Directors of these corporations. Therefore, the financial information of the Washoe Affordable Housing Corporation and the Transitional Housing Corporation are included in the accompanying financial statements as blended component units of the Authority.

Effective July 1, 2015 the Authority began participating in HUD's Moving to Work (MTW) Demonstration Program. The Moving to Work program primarily consists of grant funding and expenditures that were received and incurred under the Authority's previous Housing Choice Voucher Program, the Public and Indian Housing Program, the Capital Fund Program. The program provides the Authority greater flexibility in combining its HUD funding among the Authority's administrative, capital, and development activities. The MTW Program also exempts the Authority from many previous required regulations and reporting requirements.

At June 30, 2016 the Authority was administering the following programs which consisted of 7,232 units of low and moderate income housing:

	Number of Units
Moving to Work Program:	
Housing Complexes:	
Mineral Manor	144
Tom Sawyer Village	100
Silverada Manor	149
Stead Manor	67
Hawk View Apartments	99
Essex Manor	105
Myra Birch Manor	53
John McGraw Court	34
Vouchers	2,519
Total units administered under the Moving to Work Program	3,270

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1 (continued)

<u>Other Administered Programs:</u>	
Moderate Rehabilitation and Single Room Occupancy	27
Veterans Affairs Special Vouchers	255
Special Allocations	3,182
Business Activities	347
Neighborhood Stabilization Programs I and II	114
Economic Development Initiative – Special Projects	15
Dollar Home Sales	<u>22</u>
Total units administered under other programs	<u>3,962</u>
Total units administered at June 30, 2016	<u><u>7,232</u></u>

B. Government-wide and Fund financial Statements

The government-wide financial statements (i.e. the Statement of Net Position; the Statement of Revenues, Expenses, and changes in Net Position; and the Statement of Cash Flows) report the financial information of the Authority’s operation as a whole.

For financial reporting purposes, the Authority reports all of its operations as a single business type activity in a single enterprise housing fund. Therefore, for the Authority the government-wide and fund financial statements are the same. These basic financial statements are presented in accordance with the standards established by the Governmental Accounting Standards Board (GASB).

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured; basic of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basic of accounting relate to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when related cash flows take place. Nonexchange transactions are those in which the Authority receives value without directly giving equal value in exchange. These transactions include revenues from federal, state, and local assistance programs. Revenues from these sources are recognized in the fiscal year in which all eligibility requirements have been met.

Program revenues include grants and contributions that are restricted to the operations of a particular program. Revenues that are not classified as program revenues are presented as general revenues. Revenues such as rents and other miscellaneous fees are recorded as operating revenues. Revenues such as governmental grants and investments earnings are recorded as nonoperating revenues. Operating expenses for proprietary funds include the cost of sales and services, housing assistance payments to landlords, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1 (continued)

The Authority applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued before November 30, 1989 in accounting and reporting for its proprietary operations.

D. Assets, Liabilities, and Net Position

1. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows all highly liquid cash and investments with a maturity of three months or less when purchased and cash restricted by federal governmental requirements are considered cash and cash equivalents.

Cash and cash equivalents include amounts in demand deposits and savings accounts. All of the Authority's investments can be converted to cash in a relatively short amount of time. Therefore, all cash and investments and amounts of restricted cash are reported in the Statement of Cash Flows.

2. Restricted Assets

Restricted cash, cash equivalents, and investments, represent deposits that are used for replacement reserves, security deposit payable amounts to tenants, and amounts that are required by grants from HUD to be used only to provide housing assistance for individuals and families that meet various income, age, and employment standards.

3. Receivables

All receivables are reported at their gross value and are reduced by an allowance for doubtful accounts if such an amount is considered applicable.

4. Inventories and Prepaid Assets

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased.

5. Capital Assets

Capital assets which include, land, buildings, improvements, and furniture and equipment, are reported at historical costs. Contributed capital assets are recorded at fair value at the time received. Interest expense during any development periods is capitalized.

Maintenance, minor repairs and replacements are recorded as expenses; extraordinary replacements of property resulting in property betterments are charged to the property accounts.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1 (continued)

Depreciation is charged to operations using the straight-line method based on the useful life of the related asset. The estimated useful lives of the various asset categories are as follows:

Buildings	30 years
Improvements	15 years
Furniture and equipment	5 to 10 years

6. Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay.

Regular full-time employees earn from 13 to 26 vacation days per year depending upon their length of employment. Each employee also earns 13 sick leave days per year. Unused annual leave may be accumulated not to exceed between 26 - 52 days in addition. Unused sick leave will be allowed to accumulate up to 188 days; however, upon termination one half of sick leave accrued to a maximum 50 days is paid to the employee. An employee terminating employment shall be paid for any accumulated annual and sick leave at their current hourly rate of pay.

7. Taxes

The Authority is exempt from Federal and State income taxes. The Authority is also exempt from property taxes but makes payments in lieu of taxes on its Public housing units.

8. Encumbrances

Encumbrance accounting is not employed by the Authority.

9. Net Position

Net position represents the differences between assets and liabilities. Net position consists of net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets, consists of capital assets, net of depreciation, reduced by outstanding balances of borrowings used for the construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

10. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position includes separate sections for deferred outflows and inflows of resources. These separate sections represent a consumption or acquisition of net position that applies to future periods and will not be recognized as outflows (expenses) or inflows (revenues) until that time.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1 (continued)

E. New GASB Pronouncements

During fiscal year 2016 the Authority adopted the following GASB Statements:

Statement No. 72 - *Fair Value Measurement and Application*

Statement No. 73 - *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*

Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

Statement No. 79 – *Certain External Investment Pools and Pool Participants.*

F. Pensions

For purposes of measuring the net pension liability (NPL) and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position (FNP) of the Authority's Public Employees' Retirement System of Nevada (PERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, 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.

G. Estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare the financial statements. Actual results may differ from those estimates.

H. Budgets and Budgetary Accounting

Each year the Authority's Board of Commissioners adopts an operating budget. This budget may be revised during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of adoption of the annual budget by the Authority's Board of Commissioners.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 2 - CASH AND INVESTMENTS

A. Policies

Nevada law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under Nevada law this collateral is held in a separate investment pool by another institution in the Authority's name and places the Authority ahead of general creditors of the institution.

The Authority and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments* or by electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

The Authority's investments are carried at fair value as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of those adjustments in income for that fiscal year.

Cash and cash equivalents are considered to be liquid assets for purposes of measuring cash flows.

B. Classification

Cash and money market mutual funds investments are classified in the financial statements as shown below based on whether or not their use is restricted under the terms of the Authority debt instruments or agency agreements. Cash and investments as of June 30, 2016 are as follows:

Cash and cash equivalents	\$ 5,739,696
Money Market Mutual Funds	1,848,825
Certificates of Deposit	<u>8,420,000</u>
Total cash and investments	<u>\$ 16,008,521</u>

The \$5,739,696 of cash and cash equivalents consists of \$5,738,519 maintained on deposit in banks and \$1,177 of petty cash. Of the amounts deposited into bank checking and savings, \$596,414 is covered by federal deposit insurance. The remaining \$5,142,105, as previously stated, is required by Nevada law to be collateralized by governmental securities with a market value of 110% of the deposit or with first trust deed mortgages with a value of 150% of the uninsured amount. Of the \$8,485,000 maintained in Certificates of deposit, \$242,037 is also covered by federal deposit insurance.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 2 (continued)

The \$1,848,825 of money market mutual funds and treasury securities are carried at fair value.

Cash and cash equivalents are considered to be liquid assets for purposes of measuring cash flows.

C. Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Authority's investments to market rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

<u>Investment Type</u>	<u>12 Months or Less</u>	<u>One to Five Years</u>	<u>More Than Five Years</u>	<u>Total</u>
Money market mutual funds	\$ 1,848,825	\$ -	\$ -	\$ 1,848,825

D. Disclosures of Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual rating as of June 30, 2016 for each Authority investment type is provided by Standard and Poor's.

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Nevada Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provisions for deposits: The Nevada Government Code requires Nevada banks and savings and loan associations to secure the Authority's deposits not covered by federal deposit insurance by pledging mortgages or government securities as collateral. The market value of mortgages must equal at least 150% of the face value of deposits. The market value of government securities must equal at least 110% of the face value of deposits. Such collateral must be held in the pledging bank's trust department in a separate depository in an account for the Authority.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 3 - CAPITAL ASSETS

The following is a summary of the Authority's changes in capital assets for the fiscal year ended June 30, 2016:

	Balance 6/30/15	Additions	Adjustments/ Deletions	Balance 6/30/16
Land	\$ 9,553,980	\$ 23,300	\$ (52,565)	\$ 9,524,715
Buildings & improvements	76,907,049	1,130,631	(202,510)	77,835,170
Equipment	908,705	9,215	(30,553)	887,367
	<u>87,369,734</u>	<u>1,163,146</u>	<u>(285,628)</u>	<u>88,247,252</u>
Less accumulated Depreciation:				
Buildings & Improvements	(45,136,678)	(2,177,786)	27,393	(47,287,071)
Equipment	(662,452)	(47,066)	26,189	(683,329)
Total accumulated Depreciation	<u>(45,799,130)</u>	<u>(2,224,852)</u>	<u>53,582</u>	<u>(47,970,400)</u>
Capital assets, net	<u>\$ 41,570,604</u>	<u>\$ (1,061,706)</u>	<u>\$ (232,046)</u>	<u>\$ 40,276,852</u>

Note 4 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2016:

	Balance 6/30/15	Additions	Deletions	Balance 6/30/16
Revenue refunding bonds	\$ 1,399,000	\$ -	\$ (207,500)	\$ 1,191,500
Notes Payable	538,101	-	(5,798)	532,303
Compensated absences	332,617	5,962	-	338,579
	<u>\$ 2,269,718</u>	<u>\$ 5,962</u>	<u>\$ (213,298)</u>	<u>\$ 2,062,382</u>

Refunding bonds debt service requirements to maturity are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Required Payments</u>
2017	\$ 218,500	\$ 58,979	\$ 277,479
2018	229,500	48,163	277,663
2019	241,000	36,803	277,803
2020	253,500	24,874	278,374
2021	<u>249,000</u>	<u>12,325</u>	<u>261,325</u>
	<u>\$ 1,191,500</u>	<u>\$ 181,144</u>	<u>\$ 1,372,644</u>

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 4 (continued)

The bonds payable consist of Multifamily Housing Revenue Refunding Bonds payable to Wells Fargo Brokerage Services, LLC. Interest accrues on the bonds at 4.95% per annum. The bonds mature on July 1, 2021. The outstanding balance on the bonds at June 30, 2016 was \$1,191,500.

Notes payable debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total Required Payments
2017	\$ 8,125	\$ 4,092	\$ 12,217
2018	6,194	4,007	10,201
2019	7,112	3,921	11,033
2020	7,326	3,832	11,158
2021	7,548	3,739	11,287
2022-2026	50,587	17,228	67,815
2027-2031	95,856	14,487	110,343
2032-2036	105,932	11,309	117,241
2037-2041	243,623	976	244,599
	<u>\$ 532,303</u>	<u>\$ 63,591</u>	<u>\$ 595,894</u>

Notes payable at June 30, 2016 consist of the following:

Note payable to the City of Reno, due September 1, 2036 secured by a deed of trust on real estate located in Sparks, Nevada. Interest is deferred on the note until September 1, 2016, Starting September 1, 2016 interest will accrue at 1% per annum on the unpaid balance until September 1, 2036 at which time the remaining principal balance and accrued interest will be forgiven. The outstanding balance at June 30, 2016 was \$162,893.

Note payable to the City of Reno-Washoe County Home Consortium, due February 1, 2041, secured by a junior deed of trust on real property located at 7900 Golden Valley Road, Reno, Nevada. Interest accrues on the note at 1.0% per annum with required annual principal and interest payments of \$10,819 beginning February 1, 2016, with the first payment being applied only to interest. The balance outstanding on the loan at June 30, 2016 was \$150,000.

Note payable to the City of Reno-Washoe County Home Consortium, due February 1, 2039, secured by a junior deed of trust on real property located at 7900 Golden Valley Road, Reno, Nevada. Interest accrues on the note at 3.0% per annum with required annual principal and interest payments of \$13,265. The balance outstanding on the loan at June 30, 2016 was \$219,410.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 5 - COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned but unused vacation leave up to a maximum of two years of earned vacation hours and to accumulate earned but unused sick leave up to a maximum of 400 hours. This leave will be used in future periods or paid to employees upon separation from the Authority: vacation hours are payable at the employee's payroll rate and sick leave is payable at one-half the employee's payroll rate. Combined long term and short term accrued vacation and sick leave totaling \$338,579 has been valued and recorded by the Authority as of June 30, 2016.

Note 6 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Information:

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

Funding Policy and OPEB Cost:

The Authority is required to provide a subsidy, based on years of service for its retirees that have enrolled in the PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State legislature. In fiscal year 2016, this subsidy ranged from \$55 to \$636 per retiree, per month.

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

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 6 (continued)

The Authority's OPEB cost, the amount contributed to the plan, and the net OPEB obligation for the current year were as follows:

Annual required contribution	\$ 47,510
Interest on net OPEB obligation	11,354
Adjustment of annual required contribution	<u>(14,119)</u>
Annual OPEB cost	44,745
Contributions made	<u>(41,083)</u>
Increase in the net OPEB	3,662
Net OPEB obligation (asset), beginning of year	<u>283,856</u>
Net OPEB obligation (asset), end of year	<u>\$ 287,518</u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB plan and the net OPEB obligation for the fiscal years ended June 30, 2014, 2015, and 2016 were as follows:

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net Ending OPEB Obligation (Asset)
June 30, 2014	\$ 90,473	\$ 41,930	46.34%	\$ 283,699
June 30, 2015	\$ 44,300	\$ 44,143	99.60%	\$ 283,856
June 30, 2016	\$ 44,745	\$ 41,083	91.82%	\$ 287,518

Funded Status and Funding Progress:

The funded status of the plan as of June 30, 2016, developed from a roll forward of the results of the June 30, 2016 valuation, is as follows:

	<u>June 30, 2016</u>
Actuarial accrued liability (AAL)	\$ 673,148
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 673,148</u>
Funded ratio (actuarial value of plan Assets/AAL)	0.0%
Covered payroll	N/A*
UAAL as percentage of covered payroll	N/A*

*The Public Employee Benefit Plan is a closed plan, and therefore, there are no current covered employees.

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

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 6 (continued)

The required schedule of funding progress, presented as required supplementary information following the Notes to the Financial Statements, will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

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

Summary of Actuarial Methods and Assumptions		
	Public Employee Benefit Program	Authority Plan
Actuarial Valuation Date	June 30, 2015	June 30, 2015
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level Dollar, Closed	Level Percent of Projected Payroll, Open
Amortization period	26 years	30 years
Asset valuation method	No assets in trust	No assets in trust
Actuarial assumptions		
Average retiree age	66.7	63.0
Investment rate of return	4%	4%
Projected salary increases	N/A	4%
Inflation rate	2.75%	2.75%
Number of retirees	12	1
Healthcare trend		
Pre-Medicare retirees	7.5% increase in 2016, declining by .5% per year to ultimate 5.0% per year trend in 2021	7.5% increase in 2016, declining by .5% per year to ultimate 5.0% per year trend in 2021
Medicare retirees	Exchange subsidy increases by 4.5% per year	Same % increases as for pre- Medicare retirees

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 7 – EMPLOYEES RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Descriptions – Public Employee Retirement System of Nevada (PERS) administers a cost-sharing, defined benefit public retirement system. The system was established by the Nevada Legislature in 1947, effective July 1, 1948. The system is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability.

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PER's website at www.nvpers.org under QuickLinks – Publications.

Benefits Provided – Benefits, as required by the Nevada Revised Statutes, 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. The system 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.

Vesting – Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with 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, or age 62 with 10 years of service, or any age with thirty years of service.

The normal ceiling limitation on monthly benefits 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 up to 90% of average compensation.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 7 (continued)

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	<u>Miscellaneous Plans</u>	
	<u>Prior to January 1, 2010</u>	<u>On or After January 1, 2010</u>
Hire Date		
Benefit Formula	2.67% @ 65	2.5% at 65
Benefit Vesting Formula	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	65	65
Monthly benefits, as a % of eligible compensation	2.5% to 2.67%	2.5%
Required employee contribution rates	21.50%	28.1%

Contributions – The Authority for establishing and amending the obligation to make contribution and member contribution rates, is set by statute. 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 or two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System'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.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal years ended June 30, 2015 and June 30, 2016 the Regular Employer-pay contribution (EPC) rate was 25.75 % and 28.1% respectively.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Note 7 (continued)

For the year ended June 30, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions – employer \$ 825,473

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The following table shows the Plan’s proportionate share of the regular risk pool collective net pension liability over the measurement period ended June 30, 2016:

	Proportionate Share of Pension Liability	
Net Pension Liability – Balance at June 30, 2015	\$ 5,055,977	
Net Pension Liability – Balance at June 30, 2016	5,714,641	.049868%
Total Net Change	\$ (658,664)	

The net pension liability (NPL) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NPL \$5,714,641 is measured as a proportionate share of the net pension liability of \$11,459,436,845 (or .049868%).

The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. 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, 2016.

Pension expense – As of June 30, 2016, the Authority recognized pension expense of \$632,836.

Deferred inflows/outflows - At June 30, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,640,775	\$ 769,742
Differences between actual and expected experience	0	429,840
Changes in assumptions	0	41,047
Net differences between projected and actual earnings on pension plan investments	752,419	1,061,962
Adjustment due to differences in proportions	0	512,193
Total	\$ 2,393,194	\$ 2,814,784

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 7 (continued)

\$825,473 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016 (measurement period ended June 30, 2016). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2017	(229,743)
2018	(229,743)
2019	(229,743)
2020	43,165
2021	(71,040)
Thereafter	(22,273)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability – The System’s net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the flowing actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:	
Discount Rate	8.00%
Inflation Rate	3.50%
Payroll Growth	5.00%, including inflation
Productivity Pay Increases	0.75%
Projected Salary Increases	4.60% to 9.75%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other Assumptions	Same as those used in the June 30, 2015 Funding actuarial valuation

Actuarial assumptions used in the June 30, 2015 valuation were based on the results of the experience review completed in 2013.

Discount Rate – The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan’s fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine total pension liability as of June 30, 2015.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 7 (continued)

The following was the Board adopted policy target asset allocation as of June 30, 2015:

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return*</u>
Domestic Equity	42.0%	5.50%
International Equity	18.0%	5.75%
Domestic Fixed Income	30.0%	.25%
Private Markets	10.0%	6.80%
 Total	 <u>100.0%</u>	

*As of June 30, 2015 PERS' Long-term inflation assumption was 3.5%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -

The following presents the Authority's proportionate share of the net pension liability/ (asset), calculated using the discount rate of 8.00 percent, as well as what the Authority's proportionate share of the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage point higher (9.00%) than the current rate:

	<u>Discount Rate – 1%</u> <u>(7.00%)</u>	<u>Current Discount</u> <u>Rate</u> <u>(8.00%)</u>	<u>Discount Rate +1%</u> <u>(9.00%)</u>
Plan's Pension Liability	\$ 8,707,894	\$ 5,714,641	\$ 3,225,452

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued PERS Comprehensive Annual Financial Report, available on the PERS website.

E. Payable to the Pension Plan

At June 30, 2016, the Authority there was no amount reported as payable for the outstanding amount of contributions to the pension plan required for the year.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 8 - JOINT POWERS AGREEMENTS

Property and Liability Insurance

The Authority participates in a joint venture under a Joint Powers Agreement (JPA) with the Housing Authorities Risk Retention Pool (HARRP). HARRP was formed to provide property and liability insurance coverage for member housing authorities. At December 31, 2015 there were 87 members. The relationship between the Authority and HARRP is such that HARRP is not a component unit of the Authority for financial reporting purposes.

Condensed audited financial information for the year ended December 31, 2015 is as follows:

Total assets	\$ 29,370,151
Total liabilities	<u>(8,843,451)</u>
 Total Net Assets	 <u>\$ 20,526,700</u>
 Total revenues	 \$ 9,618,533
Total expenses	<u>(9,025,225)</u>
 Net increase (decrease) in net assets	 <u>\$ 593,308</u>

HARRP had \$3,764,659 in long-term losses outstanding at December 31, 2015. The Authority's share of year end assets, liabilities, or retained earnings has not been calculated.

Note 9 - CONTINGENT LIABILITIES

A. Federal Grants

The Authority has received funds from various federal, state, and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

B. Pending Legal Matters

Five plaintiffs are jointly suing the Authority for an estimated \$1,300,000 alleging a failure to pay the plaintiffs a minimum wage. As of the date of this report discovery is continuing and the Authority believes it has adequate defenses to the case and that the Authority will not be materially impacted by the outcome.

Note 10 – SUBSEQUENT EVENTS

Management evaluated all activity of the Authority through December 20, 2016, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION
(Other than the MD&A)**

**HOUSING AUTHORITY OF THE CITY OF RENO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Schedule of Funding Progress for OPEB – Authority Plan

Actuarial Valuation Date	(A) Actuarial Value of Plan Assets	(B) Actuarial Accrued Liability (AAL)	(C) Funded Ratio	(D) Unfunded Actuarial Accrued Liability (UAAL) (B) – (A)	(E) Annual Covered Payroll	(F) UAAL as a Percentage of Covered Payroll (D) / (E)
June 30, 2012	-	\$1,064,283	0.00%	\$1,064,283	N/A	N/A
June 30, 2015	-	\$ 581,269	0.00%	\$ 581,269	N/A	N/A
June 30, 2016	-	\$ 606,074	0.00%	\$ 606,074	N/A	N/A

Schedule of Funding Progress for OPEB – Public Employee Benefit Program

Actuarial Valuation Date	(A) Actuarial Value of Plan Assets	(B) Actuarial Accrued Liability (AAL)	(C) Funded Ratio	(D) Unfunded Actuarial Accrued Liability (UAAL) (B) – (A)	(E) Annual Covered Payroll	(F) UAAL as a Percentage of Covered Payroll (D) / (E)
June 30, 2012	-	\$ 230,362	0.00%	\$ 230,362	\$ 3,192,444	7.2%
June 30, 2015	-	\$ 63,981	0.00%	\$ 63,981	\$ 2,721,551	2.4%
June 30, 2016	-	\$ 67,074	0.00%	\$ 67,074	\$ 2,948,118	2.3%

**Schedule of the Authority's Proportionate Share of the Net Pension Liability
Last 10 Years***

	Plan's Proportion of the Net Pension Liability/Asset	Plan's Proportionate Share of the Net Pension Liability/Asset	Plan's Covered - Employee Payroll	Plan's Proportionate Share of the Net Pension Liability/ (Asset) as a Percentage of its Covered - Employee Payroll	Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2015	0.04851%	\$ 5,055,977	\$ 2,853,604	177.18%	76.31%
June 30, 2016	0.04987%	\$ 5,714,641	\$ 2,948,118	193.84%	78.67%

*Fiscal year ending June 30, 2015, was the first year of implementation, therefore only two years are shown.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION
AS OF JUNE 30, 2016
(Continued)**

**Schedule of Authority's Pension Plan Contributions
Last 10 Years***

	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered - Employee Payroll	Contributions as a Percentage Covered - Employee Payroll
June 30, 2015	\$ 734,803	\$ (734,803)	\$ -	\$ 2,853,604	25.75%
June 30, 2016	\$ 825,473	\$ (825,473)	\$ -	\$ 2,948,118	28.1%

Notes to Schedule:

<p>Valuation date</p> <p>Methods and assumptions used to determine contribution rates:</p> <ul style="list-style-type: none"> Actuarial cost method Amortization method Asset valuation method Inflation Payroll growth Salary increase Investment rate of return Retirement age Mortality Rates 	<p>June 30, 2015</p> <p>Entry age normal cost method</p> <p>Level percentage of payroll</p> <p>Actuarial value of assets</p> <p>3.50%</p> <p>5.00% including inflation</p> <p>4.6% to 9.75% depending on service. Rates include inflation and productivity increases</p> <p>8.0%</p> <p>The probabilities of retirement are based on the results of the NV PERS Experience Review completed in 2013</p> <p>The probabilities of retirement are based on the results of the NV PERS Experience Review completed in 2013.</p>
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*Fiscal year ending June 30, 2015, was the first year of implementation, therefore only two years are shown.

OTHER SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Department of Housing and Urban Development (HUD)		
Direct Programs:		
Section 8 Project Based Cluster:		
Section 8 Housing Assistance Payments Program	14.195	\$ 22,134,513
Section 8 Rental Moderate Rehabilitation Program – SRO	14.249	136,467
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	29,795
Resident Opportunities Supportive Services	14.870	51,926
Moving to Work Demonstration Program	14.881	<u>20,908,448</u>
Total direct funding		<u>43,261,149</u>
Total Federal expenditures, all U.S. Department of Housing and Urban Development		<u>\$ 43,261,149</u>

See Notes to the Schedule of Expenditures of Federal Awards.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by the Housing Authority of the City of Reno. The Housing Authority of the City of Reno's reporting entity is defined in Note 1 to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority of the City of Reno under programs awarded by the federal government for the year ended June 30, 2016. The information on this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the Housing Authority of the City of Reno, it is not intended to and does not present the financial position, changes in net position, or cash flows of the entire operations of the Housing Authority of the City of Reno.

3. Summary of Significant Accounting Policies

The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. This is the same basis of accounting as was used in the preparation of the Authority's basic financial statements.

CITY OF RENO HOUSING AUTHORITY (NV001)
RENO, NV

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2016

	Project Total	14. OPS MTW Demonstration Program for Low Rent	14. CFP MTW Demonstration Program for Capital Fund	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.313 Dollar Home Sales	14. HCV MTW Demonstration Program for HCV program	14.870 Resident Opportunity and Supportive Services	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.2 Component Unit - Blended	14.881 Moving to Work Demonstration Program	14.238 Shelter Plus Care
111 Cash - Unrestricted	\$1,604,284			\$875,393	\$346,639			\$15,510	\$888,523	\$688,555	\$2,970
112 Cash - Restricted - Modernization and Development											
113 Cash - Other Restricted	\$50,172									\$100,188	
114 Cash - Tenant Security Deposits	\$197,780			\$95,029	\$17,120						
115 Cash - Restricted for Payment of Current Liabilities											
100 Total Cash	\$1,852,236	\$0	\$0	\$970,422	\$363,759	\$0	\$0	\$15,510	\$888,523	\$788,743	\$2,970
121 Accounts Receivable - PHA Projects											
122 Accounts Receivable - HUD Other Projects	\$19,628									\$27,765	
124 Accounts Receivable - Other Government									\$119,375	\$99,809	
125 Accounts Receivable - Miscellaneous				\$100						\$37,554	\$3,750
126 Accounts Receivable - Tenants	\$20,649		\$4,599								
126.1 Allowance for Doubtful Accounts - Tenants				\$4,599							
126.2 Allowance for Doubtful Accounts - Other	-\$11,362			-\$628							
127 Notes, Loans, & Mortgages Receivable - Current	\$0			\$0					\$0	\$0	\$0
128 Fraud Recovery			\$59,000								
128.1 Allowance for Doubtful Accounts - Fraud											
129 Accrued Interest Receivable	\$865			\$1,483					\$798	\$627	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$29,780	\$0	\$0	\$64,554	\$0	\$0	\$0	\$0	\$120,173	\$165,755	\$3,750
131 Investments - Unrestricted	\$473,601			\$2,373,050					\$1,199,731	\$835,450	
132 Investments - Restricted											
135 Investments - Restricted for Payment of Current Liability	\$12,141										
142 Prepaid Expenses and Other Assets	\$82,000								\$17,835	\$7,284	
143 Inventories	-\$16,000										
143.1 Allowance for Obsolete Inventories	\$536,320			\$123,447							
144 Inter Program Due From											
145 Assets Held for Sale											
150 Total Current Assets	\$2,970,078	\$0	\$0	\$3,531,473	\$363,759	\$0	\$0	\$15,510	\$2,186,262	\$1,797,232	\$6,720
161 Land	\$2,273,745			\$2,901,945							
162 Buildings	\$45,372,025			\$13,145,711	\$1,817,359						

CITY OF RENO HOUSING AUTHORITY (NV001)
RENO, NV

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit	Fiscal Year End: 06/30/2016									
	14. OPS MTW Demonstration Program for Low Rent	14. CFP MTW Demonstration Program for Capital Fund	14.238 Neighborhood Stabilization Program (Recovery Act Fund)	14.313 Dollar Home Sales	14. HCV MTW Demonstration Program for HCV program	14.870 Resident Opportunity and Supportive Services	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.2 Component Unit - Blended	14.881 Moving to Work Demonstration Program	14.238 Shelter Plus Care
Project Total										
163 Furniture, Equipment & Machinery - Dwellings	\$424,828							\$62,761	\$44,049	
164 Furniture, Equipment & Machinery - Administration										
165 Leasehold Improvements										
166 Accumulated Depreciation	-\$38,184,670		-\$1,764,619	-\$206,062				-\$62,761	-\$28,660	
167 Construction in Progress	\$528,527								\$212,283	
168 Infrastructure										
160 Total Capital Assets, Net of Accumulated Depreciation	\$10,414,455	\$0	\$14,321,656	\$1,933,697	\$0	\$0	\$0	\$0	\$227,652	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			\$685,000							
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due										
173 Grants Receivable - Non Current										
174 Other Assets										
176 Investments in Joint Ventures										
180 Total Non-Current Assets	\$10,414,455	\$0	\$15,006,656	\$1,933,697	\$0	\$0	\$0	\$0	\$227,652	\$0
200 Deferred Outflow of Resources										
290 Total Assets and Deferred Outflow of Resources	\$13,384,533	\$0	\$18,538,129	\$2,297,456	\$0	\$0	\$15,510	\$2,186,262	\$2,024,884	\$6,720
311 Bank Overdraft										
312 Accounts Payable <= 90 Days	\$73,412		\$6,062	\$780				\$8,354	\$22,305	
313 Accounts Payable >90 Days Past Due										
321 Accrued Wage/Payroll Taxes Payable	\$45,860		\$5,059	\$1,639				\$22,552	\$48,017	
322 Accrued Compensated Absences - Current Portion	\$10,083		\$1,030	\$456				\$751	\$11,426	
324 Accrued Contingency Liability										
325 Accrued Interest Payable										
331 Accounts Payable - HUD PHA Programs	\$72,255						\$15,510			
332 Account Payable - PHA Projects										
333 Accounts Payable - Other Government	\$170,418									
341 Tenant Security Deposits	\$197,780		\$95,029	\$17,120				\$0	\$0	
342 Unearned Revenue	\$0		\$0							
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue										
344 Current Portion of Long-term Debt - Operating Borrowings										
345 Other Current Liabilities										
346 Accrued Liabilities - Other	\$117,727		\$23,546					\$48	\$129,500	

CITY OF RENO HOUSING AUTHORITY (NV001)
 RENO, NV

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit		Fiscal Year End: 06/30/2016									
		14.230									
	Project Total	14. OPS MTW Demonstration Program for Low Rent	14. CFP MTW Demonstration Program for Capital Fund	Neighborhood Stabilization Program (Recovery Act)	14.313 Dollar Home Sales	14. HCV MTW Demonstration Program for HCV program	14.870 Resident Opportunity and Supportive Services	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.2 Component Unit - Blended	14.881 Moving to Work Demonstration Program	14.238 Shelter Plus Care
347 Inter Program - Due To	\$475,559			\$754,642						\$76,027	\$6,720
348 Loan Liability - Current											
310 Total Current Liabilities	\$1,163,094	\$0	\$0	\$130,726	\$774,637	\$0	\$0	\$15,510	\$31,705	\$287,275	\$6,720
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue											
352 Long-term Debt, Net of Current - Operating Borrowings											
353 Non-current Liabilities - Other	\$51,583										
354 Accrued Compensated Absences - Non Current	\$90,752			\$9,272	\$4,096				\$6,764	\$59,096	
355 Loan Liability - Non Current										\$102,838	
356 FASB 5 Liabilities											
357 Accrued Pension and OPEB Liabilities	\$1,731,536			\$346,879						\$1,904,690	
350 Total Non-Current Liabilities	\$1,873,881	\$0	\$0	\$356,151	\$4,096	\$0	\$0	\$0	\$6,764	\$2,066,624	\$0
300 Total Liabilities	\$3,036,975	\$0	\$0	\$486,877	\$778,733	\$0	\$0	\$15,510	\$38,469	\$2,353,899	\$6,720
400 Deferred Inflow of Resources											
508.4 Net Investment in Capital Assets	\$10,414,454	\$0	\$0	\$14,321,655	\$1,933,697	\$0	\$0				
511.4 Restricted Net Position		\$0	\$0			\$0	\$0				
512.4 Unrestricted Net Position	-\$66,896	\$0	\$0	\$3,729,597	-\$414,974	\$0	\$0	\$0	\$2,147,793	-\$329,015	\$0
513 Total Equity - Net Assets / Position	\$10,347,558	\$0	\$0	\$18,051,252	\$1,518,723	\$0	\$0	\$0	\$2,147,793	-\$329,015	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$13,384,533	\$0	\$0	\$18,538,129	\$2,297,456	\$0	\$0	\$15,510	\$2,186,262	\$2,024,884	\$6,720

CITY OF RENO HOUSING AUTHORITY
RENO, NV

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

	14,239 HOME Investment Partnerships Program	1 Business Activities	14,856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$403,957	\$7,102	\$4,469	\$321,773	\$5,159,175		\$5,159,175
112 Cash - Restricted - Modernization and Development			\$0				
113 Cash - Other Restricted			\$0		\$150,360		\$150,360
114 Cash - Tenant Security Deposits	\$8,657	\$111,575	\$0		\$430,161		\$430,161
115 Cash - Restricted for Payment of Current Liabilities	\$412,614	\$118,677	\$4,469	\$321,773	\$5,739,696		\$5,739,696
100 Total Cash							
121 Accounts Receivable - PHA Projects			\$0		\$27,765		\$27,765
122 Accounts Receivable - HUD Other Projects			\$0		\$238,812		\$238,812
124 Accounts Receivable - Other Government		\$10,110	\$0		\$13,860		\$13,860
125 Accounts Receivable - Miscellaneous		\$4,546	\$0		\$42,200		\$42,200
126 Accounts Receivable - Tenants	\$6	\$5,089	\$0		\$30,343		\$30,343
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0	\$0		\$-11,990		\$-11,990
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$100	\$7,359	\$0		\$66,459		\$66,459
128 Fraud Recovery			\$0				
128.1 Allowance for Doubtful Accounts - Fraud			\$0				
129 Accrued Interest Receivable		\$2,870	\$0	\$248	\$6,891		\$6,891
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$106	\$29,974	\$0	\$248	\$414,340		\$414,340
131 Investments - Unrestricted		\$4,263,312	\$0	\$1,163,681	\$10,268,825		\$10,268,825
132 Investments - Restricted			\$0				
135 Investments - Restricted for Payment of Current Liability			\$0				
142 Prepaid Expenses and Other Assets			\$0	\$21,883	\$59,143		\$59,143
143 Inventories		\$3,100	\$0		\$85,100		\$85,100
143.1 Allowance for Obsolete Inventories		\$-3,100	\$0		\$-19,100		\$-19,100
144 Inter Program Due From	\$97,762	\$555,419	\$0		\$1,312,948		\$1,312,948
145 Assets Held for Sale			\$0				
150 Total Current Assets	\$510,482	\$4,967,382	\$4,469	\$1,507,585	\$17,860,952		\$17,860,952
161 Land	\$143,190	\$3,883,435	\$0		\$9,524,715		\$9,524,715
162 Buildings	\$1,323,513	\$14,510,689	\$0	\$925,064	\$77,094,361		\$77,094,361

	14,239 HOME Investment Partnerships Program	1 Business Activities	14,855 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
163 Furniture, Equipment & Machinery - Dwellings		\$118,676	\$0	\$198,433	\$780,556		\$780,556
164 Furniture, Equipment & Machinery - Administration			\$0		\$106,810		\$106,810
165 Leasehold Improvements			\$0				
166 Accumulated Depreciation	-\$203,836	-\$6,457,476	\$0	-\$1,062,296	-\$47,970,400		-\$47,970,400
167 Construction in Progress			\$0		\$740,810		\$740,810
168 Infrastructure			\$0				
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,262,867	\$12,055,324	\$0	\$61,201	\$40,276,852		\$40,276,852
171 Notes, Loans and Mortgages Receivable - Non-Current			\$0		\$685,000		\$685,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due			\$0				
173 Grants Receivable - Non Current		\$0	\$0		\$0		\$0
174 Other Assets			\$0				
176 Investments in Joint Ventures		\$0	\$0		\$0		\$0
180 Total Non-Current Assets	\$1,262,867	\$12,055,324	\$0	\$61,201	\$40,961,852		\$40,961,852
200 Deferred Outflow of Resources			\$0	\$2,393,194	\$2,393,194		\$2,393,194
290 Total Assets and Deferred Outflow of Resources	\$1,775,349	\$17,022,706	\$4,469	\$3,961,980	\$61,215,998		\$61,215,998
311 Bank Overdraft			\$0				
312 Accounts Payable <= 90 Days	\$500	\$91,496	\$0	\$19,091	\$222,000		\$222,000
313 Accounts Payable >90 Days Past Due			\$0				
321 Accrued Wage/Payroll Taxes Payable	\$1,639	\$5,754	\$0	\$33,147	\$163,667		\$163,667
322 Accrued Compensated Absences - Current Portion	\$455	\$1,580	\$0	\$8,076	\$33,857		\$33,857
324 Accrued Contingency Liability			\$0				
325 Accrued Interest Payable		\$2,964	\$0		\$2,964		\$2,964
331 Accounts Payable - HUD PHA Programs			\$4,469		\$92,234		\$92,234
332 Account Payable - PHA Projects			\$0				
333 Accounts Payable - Other Government			\$0		\$170,418		\$170,418
341 Tenant Security Deposits	\$9,657	\$116,575	\$0		\$435,161		\$435,161
342 Unearned Revenue		\$0	\$0	\$0	\$0		\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$226,625	\$0		\$226,625		\$226,625
344 Current Portion of Long-term Debt - Operating Borrowings			\$0				
345 Other Current Liabilities		\$6,940	\$0		\$6,940		\$6,940
346 Accrued Liabilities - Other			\$0	\$117,727	\$388,548		\$388,548
347 Inter Program - Due To			\$0		\$1,312,948		\$1,312,948
348 Loan Liability - Current			\$0				
310 Total Current Liabilities	\$11,251	\$451,934	\$4,469	\$178,041	\$3,055,362		\$3,055,362

	14,239 HOME Investment Partnerships Program	1 Business Activities	14,856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$1,497,178	\$0		\$1,497,178		\$1,497,178
352 Long-term Debt, Net of Current - Operating Borrowings			\$0				
353 Non-current Liabilities - Other		\$41,743	\$0		\$152,432		\$152,432
354 Accrued Compensated Absences - Non Current	\$4,096	\$14,219	\$0	\$72,685	\$304,722		\$304,722
355 Loan Liability - Non Current			\$0				
356 FASB 5 Liabilities			\$0				
357 Accrued Pension and OPEB Liabilities			\$0				
350 Total Non-Current Liabilities	\$4,096	\$1,553,140	\$0	\$2,091,739	\$7,956,491		\$6,002,159
300 Total Liabilities	\$15,347	\$2,005,074	\$4,469	\$2,269,780	\$11,011,853		\$11,011,853
400 Deferred Inflow of Resources			\$0	\$2,814,784	\$2,814,784		\$2,814,784
508.4 Net Investment in Capital Assets	\$1,262,867	\$10,331,521	\$0	\$61,202	\$38,325,396		\$38,325,396
511.4 Restricted Net Position			\$0		\$0		\$0
512.4 Unrestricted Net Position	\$495,135	\$4,686,111	\$0	-\$1,183,786	\$9,063,965		\$9,063,965
513 Total Equity - Net Assets / Position	\$1,758,002	\$15,017,632	\$0	-\$1,122,584	\$47,389,361		\$47,389,361
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,773,349	\$17,022,706	\$4,469	\$3,961,980	\$61,215,998		\$61,215,998

CITY OF RENO HOUSING AUTHORITY (NV001)
RENO, NV

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit		Fiscal Year End: 06/30/2016							
	Project Total	14. OPS MTW Demonstration Program for Low Rent	14. CFP MTW Demonstration Program for Capital Fund	14. 256 Neighborhood Stabilization Program (Recovery Act Funded)	14. 313 Dollar Home Sales	14. HCV MTW Demonstration Program for HCV program	14. 870 Resident Opportunity and Supportive Services	14. 249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.2 Component Unit - Blended
70300 Net Tenant Rental Revenue	\$2,254,440			\$994,652	\$142,176				
70400 Tenant Revenue - Other	\$54,163			\$825					
70500 Total Tenant Revenue	\$2,308,603	\$0	\$0	\$994,652	\$143,001	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$1,675,463	\$679,651			\$18,024,807	\$51,926	\$136,467	\$22,134,513
70610 Capital Grants			\$528,527						
70710 Management Fee									
70720 Asset Management Fee									
70730 Book Keeping Fee									
70740 Front Line Services Fee									
70750 Other Fees									
70700 Total Fee Revenue									
70800 Other Government Grants									
71100 Investment Income - Unrestricted	\$6,925			\$11,823					\$6,420
71200 Mortgage Interest Income									
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets									
71400 Fraud Recovery									
71500 Other Revenue				\$10,017					
71600 Gain or Loss on Sale of Capital Assets	\$14,345			-\$21,417					
72000 Investment Income - Restricted									
70000 Total Revenue	\$2,329,873	\$1,675,463	\$1,208,178	\$995,075	\$143,001	\$18,024,807	\$51,926	\$136,467	\$22,140,933
91100 Administrative Salaries	\$313,215			\$83,428	\$22,648		\$29,142	\$13,859	\$171,126
91200 Auditing Fees	\$6,000			\$6,000				\$750	\$3,800
91300 Management Fee	\$890,681			\$12,800	\$22,693				\$286,380
91310 Book-keeping Fee	\$67,590			\$10,260	\$1,898				
91400 Advertising and Marketing	\$2,938			\$84					
91500 Employee Benefit Contributions - Administrative	\$399,487			\$199,515	\$14,400		\$22,784	\$6,226	\$42,393
91600 Office Expenses	\$124,015			\$7,084					\$67,876
91700 Legal Expense	\$7,301			\$1,411					\$1,540
91800 Travel	\$6,914			\$2,826	\$555				\$9,176
91810 Allocated Overhead									
91900 Other	\$478,791			\$60,000	\$28				
91000 Total Operating - Administrative	\$2,296,932	\$0	\$0	\$463,408	\$62,222	\$0	\$51,926	\$20,835	\$582,291

CITY OF RENO HOUSING AUTHORITY (NV001)
RENO, NV

Entity Wide Revenue and Expense Summary

	Project Total	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.313 Dollar Home Sales	14.HCV MTW Demonstration Program for HCV program	14.870 Resident Opportunity and Supportive Services	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.2 Component Unit - Blended
92000 Asset Management Fee	\$90,120			\$15,120					
92100 Tenant Services - Salaries	\$70,594								
92200 Relocation Costs									
92300 Employee Benefit Contributions - Tenant Services	\$78,083								
92400 Tenant Services - Other	\$52,340								
92500 Total Tenant Services	\$201,017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water	\$127,250			\$4,209	\$355				\$270
93200 Electricity	\$63,663			\$2,032	\$320				\$1,291
93300 Gas	\$55,358			\$3,145	\$321				\$658
93400 Fuel									
93500 Labor									
93600 Sewer									
93700 Employee Benefit Contributions - Utilities	\$317,401			\$35,224	\$7,802				\$518
93800 Other Utilities Expense	\$96			\$232	\$6				
93000 Total Utilities	\$563,768	\$0	\$0	\$44,842	\$8,804	\$0	\$0	\$0	\$2,737
94100 Ordinary Maintenance and Operations - Labor	\$491,944			\$93,822	\$9,893				\$376
94200 Ordinary Maintenance and Operations - Materials and Other	\$196,655			\$27,840	\$3,847				\$665
94300 Ordinary Maintenance and Operations Contracts	\$566,904			\$86,743	\$25,541				\$6,390
94500 Employee Benefit Contributions - Ordinary Maintenance	\$546,584			\$4,815					
94000 Total Maintenance	\$1,822,087	\$0	\$0	\$213,220	\$39,271	\$0	\$0	\$0	\$7,431
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs									
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$49,031			\$11,284	\$1,860				\$16,014
96120 Liability Insurance	\$11,068								
96130 Workmen's Compensation	\$20,236			\$101					\$3,023
96140 All Other Insurance	\$11,462								
96100 Total Insurance Premiums	\$91,797	\$0	\$0	\$11,385	\$1,860	\$0	\$0	\$0	\$19,037
96200 Other General Expenses									
96210 Compensated Absences	\$2,951			\$51,472	\$34,046				
				\$4,887	\$2,470				\$2,397

CITY OF RENO HOUSING AUTHORITY (NV001)
RENO, NV

Entity Wide Revenue and Expense Summary

	Project Total	14 OPS MTW Demonstration Program for Low Rent	14 CFP MTW Demonstration Program for Capital Fund	14,256 Neighborhood Stabilization Program (Recovery Act Funded)	14,313 Dollar Home Sales	14-HCV MTW Demonstration Program for HCV program	14,870 Resident Opportunity and Supportive Services	14,249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.2 Component Unit - Blended
96300 Payments in Lieu of Taxes	\$170,473								
96400 Bad debt - Tenant Rents	\$18,960			\$7,672					
96500 Bad debt - Mortgages									
96600 Bad debt - Other									
96800 Severance Expense									
96000 Total Other General Expenses	\$192,384	\$0	\$0	\$64,031	\$36,516	\$0	\$0	\$0	\$2,397
96710 Interest of Mortgage (or Bonds) Payable									
96720 Interest on Notes Payable (Short and Long Term)									
96730 Amortization of Bond Issue Costs									
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$5,258,105	\$0	\$0	\$832,006	\$148,673	\$0	\$51,926	\$20,835	\$613,893
97000 Excess of Operating Revenue over Operating Expenses	-\$2,928,232	\$1,675,463	\$1,208,178	\$163,069	-\$5,672	\$18,024,807	\$0	\$115,632	\$21,527,040
97100 Extraordinary Maintenance									
97200 Casualty Losses - Non-capitalized									
97300 Housing Assistance Payments								\$115,632	\$21,418,597
97350 HAP Portability-In									
97400 Depreciation Expense	\$1,132,794			\$441,858	\$59,961				\$945
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense									
90000 Total Expenses	\$6,390,899	\$0	\$0	\$1,273,864	\$208,634	\$0	\$51,926	\$136,467	\$22,033,435
10010 Operating Transfer In	\$2,883,641								
10020 Operating transfer Out									
10030 Operating Transfers from/to Primary Government		-\$1,675,463	-\$1,208,178						
10040 Operating Transfers from/to Component Unit						-\$18,024,807			
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss									
10080 Special Items (Net Gain/Loss)									
10091 Inter Project Excess Cash Transfer In									
10092 Inter Project Excess Cash Transfer Out									

CITY OF RENO HOUSING AUTHORITY (NV001)
RENO, NV

Entity Wide Revenue and Expense Summary

	Project Total	14 OPS MTW Demonstration Program for Low Rent	14 CFP MTW Demonstration Program for Capital Fund	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.315 Dollar Home Sales	14 HCV MTW Demonstration Program for HCV program	14.870 Resident Opportunity and Supportive Services	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.2 Component Unit - Blended
10093 Transfers between Program and Project - In									
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	\$2,883,641	-\$1,675,463	-\$1,208,178	\$0	\$0	-\$18,024,807	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$1,177,385	\$0	\$0	-\$278,789	-\$65,633	\$0	\$0	\$0	\$107,498
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0						
11030 Beginning Equity	\$11,524,943	\$0	\$0	\$18,330,041	\$1,564,356	\$0	\$0	\$0	\$0
11040 Prior Period Adjustments: Equity Transfers and Correction of Errors	\$0				\$0				\$2,040,295
11050 Changes in Compensated Absence Balance									
11060 Changes in Contingent Liability Balance									
11070 Changes in Unrecognized Pension Transition Liability									
11080 Changes in Special Term/Severance Benefits Liability									
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents									
11100 Changes in Allowance for Doubtful Accounts - Other									
11170 Administrative Fee Equity									
11180 Housing Assistance Payments Equity									
11190 Unit Months Available	9012			1344	276			264	38184
11210 Number of Unit Months Leased	8464			1267	243			264	36541
11270 Excess Cash	\$1,297,138								
11610 Land Purchases	\$0								
11620 Building Purchases	\$0								
11630 Furniture & Equipment - Dwelling Purchases	\$0								
11640 Furniture & Equipment - Administrative Purchases	\$0								
11650 Leasehold Improvements Purchases	\$0								
11660 Infrastructure Purchases	\$0								
13510 CFFP Debt Service Payments	\$0								
13901 Replacement Housing Factor Funds	\$0								

CITY OF RENO HOUSING AUTHORITY
RENO, NV

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

	14.881 Moving to Work Demonstration Program	14.238 Shelter Plus Care	14.239 HOME Investment Partnerships Program	1 Business Activities	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue			\$94,147	\$2,305,849	\$0		\$5,791,264		\$5,791,264
70400 Tenant Revenue - Other			\$200	\$40,716	\$0		\$95,904		\$95,904
70500 Total Tenant Revenue	\$0	\$0	\$94,347	\$2,346,565	\$0	\$0	\$5,887,168	\$0	\$5,887,168
70600 HUD PHA Operating Grants					\$29,795		\$42,732,622		\$42,732,622
70610 Capital Grants					\$0		\$28,527		\$28,527
70710 Management Fee					\$0	\$1,365,007	\$1,365,007	-\$1,365,007	\$0
70720 Asset Management Fee					\$0	\$151,090	\$151,090	-\$151,090	\$0
70730 Book Keeping Fee					\$0	\$314,108	\$314,108	-\$314,108	\$0
70740 Front Line Service Fee					\$0				
70750 Other Fees					\$0				
70700 Total Fee Revenue					\$0	\$1,830,205	\$1,830,205	-\$1,830,205	\$0
70800 Other Government Grants					\$0	\$79,818	\$79,818		\$79,818
71100 Investment Income - Unrestricted	\$3,958			\$22,793	\$0	\$2,336	\$54,255		\$54,255
71200 Mortgage Interest Income					\$0				
71300 Proceeds from Disposition of Assets Held for Sale					\$0				
71310 Cost of Sale of Assets					\$0				
71400 Fraud Recovery					\$0				
71500 Other Revenue					\$0				
71600 Gain or Loss on Sale of Capital Assets	\$18,282	\$5,295		\$140,788	\$0	\$89,740	\$264,122	-\$88,950	\$175,172
72000 Investment Income - Restricted					\$0		-\$7,072		-\$7,072
70000 Total Revenue	\$22,240	\$5,295	\$94,347	\$2,510,146	\$29,795	\$2,002,099	\$51,369,645	-\$1,919,155	\$49,450,490
91100 Administrative Salaries	\$905,568	\$6,396	\$22,897	\$143,805	\$3,150	\$775,024	\$2,490,258		\$2,490,258
91200 Auditing Fees	\$3,000			\$1,200	\$750	\$500	\$22,000		\$22,000
91300 Management Fee			\$9,185	\$43,268	\$0		\$1,365,007	-\$1,365,007	\$0
91310 Book-keeping Fee	\$226,710		\$900	\$6,750	\$0		\$314,108	-\$314,108	\$0
91400 Advertising and Marketing	\$1,758			\$10,477	\$0	\$4,471	\$19,728		\$19,728
91500 Employee Benefit contributions - Administrative	\$1,111,494	\$2,874	\$10,700	\$103,419	\$1,415	\$52,188	\$1,966,895		\$1,966,895
91600 Office Expenses	\$208,753		\$17	\$292,410	\$0	\$155,586	\$655,751	-\$68,950	\$766,801
91700 Legal Expense	\$9,739	\$90		\$228,345	\$0	\$66,780	\$315,206		\$315,206
91800 Travel	\$3,574		\$30	\$5,147	\$0	\$38,344	\$66,566		\$66,566
91810 Allocated Overhead					\$0				
91900 Other					\$0				
91000 Total Operating - Administrative	\$2,470,596	\$9,360	\$43,729	\$850,001	\$5,315	\$1,114,374	\$7,990,989	-\$1,768,065	\$6,222,924

CITY OF RENO HOUSING AUTHORITY
RENO, NV

Entity Wide Revenue and Expense Summary

	14,881 Moving to Work Demonstration Program	14,238 Shelter Plus Care	14,239 HOME Investment Partnerships Program	1 Business Activities	14,856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
92000 Asset Management Fee			\$1,200	\$44,650	\$0		\$151,090	-\$151,090	\$0
92100 Tenant Services - Salaries	\$38,882				\$0	\$36,592	\$146,058		\$146,058
92200 Relocation Costs					\$0				
92300 Employee Benefit Contributions - Tenant Services	\$4,851				\$0	\$18,564	\$101,498		\$101,498
92400 Tenant Services - Other	\$21,032			\$46,300	\$0	\$41,516	\$161,188		\$161,188
92500 Total Tenant Services	\$64,765	\$0	\$0	\$46,300	\$0	\$96,662	\$408,744	\$0	\$408,744
93100 Water			\$620	\$41,173	\$0	\$1,647	\$175,524		\$175,524
93200 Electricity			\$196	\$29,209	\$0	\$13,410	\$110,121		\$110,121
93300 Gas			\$187	\$17,894	\$0	\$3,609	\$81,172		\$81,172
93400 Fuel					\$0				
93500 Labor					\$0				
93600 Sewer			\$4,802	\$146,551	\$0		\$512,298		\$512,298
93700 Employee Benefit Contributions - Utilities					\$0				
93800 Other Utilities Expense					\$0				
93000 Total Utilities	\$0	\$0	\$5,805	\$234,827	\$0	\$18,666	\$879,449	\$0	\$879,449
94100 Ordinary Maintenance and Operations - Labor	\$4,587		\$3,561	\$136,905	\$0	\$6,087	\$747,165		\$747,165
94200 Ordinary Maintenance and Operations - Materials and Other	\$1,005		\$272	\$90,853	\$0	\$6,052	\$327,189		\$327,189
94300 Ordinary Maintenance and Operations Contracts	\$11,573		\$13,183	\$223,002	\$0	\$38,066	\$991,402		\$991,402
94500 Employee Benefit Contributions - Ordinary Maintenance	\$2,477		\$1,104	\$51,333	\$0	\$5,397	\$611,710		\$611,710
94000 Total Maintenance	\$19,642	\$0	\$18,120	\$502,093	\$0	\$55,602	\$2,677,466	\$0	\$2,677,466
95100 Protective Services - Labor					\$0				
95200 Protective Services - Other Contract Costs			\$846		\$0		\$79,035		\$79,035
95300 Protective Services - Other					\$0		\$11,068		\$11,068
95500 Employee Benefit Contributions - Protective Services				\$17,416	\$0	\$15,951	\$77,420		\$77,420
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$66,477		\$66,477
96110 Property Insurance					\$0		\$234,000	\$0	\$234,000
96120 Liability Insurance			\$846		\$0		\$86,354		\$86,354
96130 Workman's Compensation	\$20,693			\$17,416	\$0	\$15,951	\$77,420		\$77,420
96140 All Other Insurance	\$19,421			\$20,512	\$0	\$15,082	\$66,477		\$66,477
96100 Total Insurance Premiums	\$40,114	\$0	\$846	\$37,928	\$0	\$31,033	\$234,000	\$0	\$234,000
96200 Other General Expenses	\$836				\$0		\$86,354		\$86,354
96210 Compensated Absences	\$26,560		\$2,253	\$8,283	\$0		\$49,801		\$49,801

CITY OF RENO HOUSING AUTHORITY
RENO, NV

Entity Wide Revenue and Expense Summary

	14,881 Moving to Work Demonstration Program	14,238 Shelter Plus Care	14,239 HOME Investment Partnerships Program	1 Business Activities	14,856 Lower Income Housing Assistance Program, Section 8 Moderate	COCC	Subtotal	ELIM	Total
96300 Payments in Lieu of Taxes					\$0		\$170,473		\$170,473
96400 Bad debt - Tenant Rents			\$3,301	\$1,442	\$0		\$31,375		\$31,375
96500 Bad debt - Mortgages					\$0				
96600 Bad debt - Other					\$0				
96800 Severance Expense					\$0				
96000 Total Other General Expenses	\$27,396	\$0	\$5,554	\$9,725	\$0	\$0	\$38,003	\$0	\$38,003
96710 Interest of Mortgage (or Bonds) Payable				\$76,718	\$0		\$76,718		\$76,718
96720 Interest on Notes Payable (Short and Long Term)					\$0				
96730 Amortization of Bond Issue Costs					\$0				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$76,718	\$0	\$0	\$76,718	\$0	\$76,718
96900 Total Operating Expenses	\$2,622,513	\$9,360	\$75,254	\$1,802,242	\$5,315	\$1,316,337	\$12,756,459	-\$1,919,155	\$10,637,304
97000 Excess of Operating Revenue over Operating Expenses	-\$2,600,273	-\$4,065	\$19,093	\$707,904	\$24,480	\$685,762	\$38,613,186	\$0	\$38,613,186
97100 Extraordinary Maintenance					\$0				
97200 Casualty Losses - Non-capitalized					\$0				
97300 Housing Assistance Payments	\$15,063,942				\$24,480		\$36,622,551		\$36,622,551
97350 HAP Portability-In					\$0				
97400 Depreciation Expense	\$2,599		\$44,117	\$526,666	\$0	\$15,912	\$2,224,852		\$2,224,852
97500 Fraud Losses					\$0				
97600 Capital Outlays - Governmental Funds					\$0				
97700 Debt Principal Payment - Governmental Funds					\$0				
97800 Dwelling Units Rent Expense					\$0				
90000 Total Expenses	\$17,688,954	\$9,360	\$119,371	\$2,328,908	\$29,795	\$1,332,249	\$51,603,862	-\$1,919,155	\$49,684,707
10010 Operating Transfer In	\$18,024,807				\$0		\$20,908,448		\$20,908,448
10020 Operating transfer Out					\$0		-\$20,908,448		-\$20,908,448
10030 Operating Transfers from/to Primary Government					\$0				
10040 Operating Transfers from/to Component Unit					\$0				
10050 Proceeds from Notes, Loans and Bonds					\$0				
10060 Proceeds from Property Sales					\$0				
10070 Extraordinary Items, Net Gain/Loss					\$0				
10080 Special Items (Net Gain/Loss)					\$0				
10091 Inter Project Excess Cash Transfer In					\$0				
10092 Inter Project Excess Cash Transfer Out					\$0				

CITY OF RENO HOUSING AUTHORITY
RENO, NV

Entity Wide Revenue and Expense Summary

	14.881 Moving to Work Demonstration Program	14.238 Shelter Plus Care	14.239 HOME Investment Partnerships Program	1 Business Activities	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
10093 Transfers between Program and Project - In									
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	\$18,024,807	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$358,093	-\$4,065	-\$25,024	\$161,238	\$0	\$669,850	-\$234,217	\$0	-\$234,217
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$218,500	\$0	\$0	\$218,500		\$218,500
11030 Beginning Equity	-\$687,108	\$4,065	\$1,785,026	\$14,836,394	\$0	-\$1,792,434	\$47,623,578		\$47,623,578
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors							\$0		\$0
11050 Changes in Compensated Absence Balance							\$0		\$0
11060 Changes in Contingent Liability Balance							\$0		\$0
11070 Changes in Unrecognized Pension Transition Liability							\$0		\$0
11080 Changes in Special Term/Severance Benefits Liability							\$0		\$0
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							\$0		\$0
11100 Changes in Allowance for Doubtful Accounts - Other							\$0		\$0
11170 Administrative Fee Equity							\$0		\$0
11180 Housing Assistance Payments Equity							\$0		\$0
11190 Unit Months Available	33288	1	120	4092	60		86641		86641
11210 Number of Unit Months Leased	30930	1	109	3921	60		81800		81800
11270 Excess Cash							\$1,297,138		\$1,297,138
11610 Land Purchases							\$0		\$0
11620 Building Purchases							\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases							\$0		\$0
11640 Furniture & Equipment - Administrative Purchases							\$0		\$0
11650 Leasehold Improvements Purchases							\$0		\$0
11660 Infrastructure Purchases							\$0		\$0
13510 CFFP Debt Service Payments							\$0		\$0
13901 Replacement Housing Factor Funds							\$0		\$0

**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***

Independent Auditors' Report

To the Board of Commissioners
Housing Authority of the
City of Reno
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 business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Reno, Nevada, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 20, 2016.

Internal Control Over Financial Reporting

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

**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***

Independent Auditors' Report

To the Board of Commissioners
Housing Authority of the
City of Reno
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 business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Reno, Nevada, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 20, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Reno, Nevada's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Reno, Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Reno, Nevada'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 and not have been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Reno, Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Crappan Rowe, LLP

Walnut Creek, California
December 20, 2016

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

Independent Auditors' Report

To the Board of Commissioners
Housing Authority of the
City of Reno
Reno, Nevada

Report on Compliance for Each Major Program

We have audited the Housing Authority of the City of Reno, Nevada's 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 Housing Authority of the City of Reno, Nevada's major federal programs for the year ended June 30, 2016. The Housing Authority of the City of Reno, Nevada's major 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 the requirements of laws, regulations, contracts, and grants applicable to major federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of Reno, Nevada's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 Housing Authority of the City of Reno, Nevada'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 Housing Authority of the City of Reno, Nevada's compliance.

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Reno, Nevada 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, 2016.

Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Reno, Nevada is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City of Reno, Nevada's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 Housing Authority of the City of Reno, Nevada's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Reno as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Reno's basic financial statements. We issued our report thereon dated December 20, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statement 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.

Chapman Row, LLP

Walnut Creek, California
December 20, 2016

**HOUSING AUTHORITY OF THE CITY OF RENO
STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2016**

There were no noted audit findings for fiscal year 2015.

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unmodified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	None reported
Noncompliance material to financial statements?	no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs:	unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	no
Major Programs:	
Moving to Work Demonstration Program	14.881
Dollar threshold to distinguish between Type A and Type B programs	\$ 1,297,834
Auditee qualified as low risk auditee?	yes