

CROPPER ROWE, LLP

CERTIFIED PUBLIC ACCOUNTANTS

**HOUSING AUTHORITY
OF THE CITY OF RENO
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017**

(Including Auditors' Report Thereon)

professional. personalized. service.



**HOUSING AUTHORITY OF THE CITY OF RENO
ANNUAL FINANCIAL REPORT
JUNE 30, 2017**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Enterprise Fund Financial Statements:	
Statement of Net Position - Proprietary Funds	12
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	13
Statement of Cash Flows - Proprietary Funds	14
Notes to the Financial Statements	15
Required Supplementary Information:	
Schedule of Funding Progress for OPEB	34
Schedule of the Authority's Proportionate Share of the Net Pension Liability	35
Schedule of the Authority's Pension Plan Contribution	35
Other Supplementary Information:	
Schedule of Expenditures of Federal Awards	37
Notes to Schedule of Expenditures of Federal Awards	38
Financial Data Schedule	39
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	53
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	55
Status of Prior Audit Findings	58
Schedule of Findings and Questioned Costs	59
Audit Finding	60

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, 2017, 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, 2017, 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 34, 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 34 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 basis 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 May 10, 2018 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.

Crappan Rowan, LLP

Walnut Creek, California
May 10, 2018

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

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, 2017.

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 \$46,428,086 at June 30, 2017.
- The total net position of the Authority decreased from \$47,389,361 at June 30, 2016 to \$46,428,086 at June 30, 2017. The total unrestricted net position at June 30, 2017 is \$8,670,017. This amount may be used to meet the Authority's ongoing obligations.
- Total assets and deferred outflow of resources decreased from \$59,903,050 at June 30, 2016 to \$57,284,972 at June 30, 2017 a decrease of \$2,618,078.
- Net capital assets decreased from \$40,276,852 at June 30, 2016 to \$39,255,247 at June 30, 2017. This decrease of \$1,021,605 was the result of net additions and sales of capital assets less depreciation expense for fiscal year 2017 (See Note 3).
- Total liabilities and deferred inflows of resources decreased from \$12,513,689 at June 30, 2016 to \$10,856,886 at June 30, 2017 a decrease of \$1,656,803.
- Revenues for fiscal year 2017 from all programs totaling \$47,150,659 consisted of federal grants and subsidies of \$40,111,636, and rental, interest, and other income of \$7,039,023. This represents a decrease of \$2,306,903 of the total revenues of \$49,457,562 for fiscal year 2016.
- Total expenses for all programs for fiscal year 2017 were \$48,111,934. This represents a decrease in expenses of \$1,579,845 from the total fiscal year 2016 expenses of \$49,691,779.

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, 2028. 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 2017 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 37 projects and 3,174 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 December 31, 2017.

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, and the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis as required by the U.S. Office of Management, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 \$956,389 to \$46,432,972 in Fiscal 2017 down from \$47,389,361 in fiscal 2016.

TABLE 1
Condensed Statements of Net Position
June 30,

	<u>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Assets and Deferred Outflows:				
Current assets	\$ 15,777,167	\$ 16,548,004	\$ (770,837)	-4.7%
Notes receivable	537,000	685,000	(148,000)	-21.6%
Capital assets	39,255,247	40,276,852	(1,021,605)	-2.5%
Deferred outflows	<u>1,715,558</u>	<u>2,393,194</u>	<u>(677,636)</u>	-28.3%
Total Assets and Deferred Outflows	<u>\$ 57,284,972</u>	<u>\$ 59,903,050</u>	<u>\$ (2,618,078)</u>	-4.4%
Liabilities and Deferred Inflows:				
Current liabilities	\$ 1,551,657	\$ 1,742,414	(190,757)	-10.9%
Noncurrent liabilities	8,735,279	7,956,491	778,788	9.8%
Deferred inflows	<u>569,950</u>	<u>2,814,784</u>	<u>(2,244,834)</u>	-79.8%
Total Liabilities and Deferred Inflows	<u>10,856,886</u>	<u>12,513,689</u>	<u>(1,656,803)</u>	-13.2%
Net Position				
Net investment in capital assets	37,758,069	38,553,048	(794,979)	-2.1%
Restricted net position	-	1,551,906	(1,551,906)	-100%
Unrestricted net position	<u>8,670,017</u>	<u>7,284,407</u>	<u>1,385,610</u>	19.0%
Total net position	<u>\$ 46,428,086</u>	<u>\$ 47,389,361</u>	<u>\$ (961,275)</u>	-2.0%

For more detailed information concerning the Statement of Net Position for fiscal year 2017 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, 2017

	<u>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Revenues				
Grants	\$ 40,111,636	\$ 43,340,967	\$ (3,229,331)	-7.5%
Rental income	6,239,246	5,791,264	447,982	7.7%
Interest income	64,039	54,255	9,784	18.0%
Other income	<u>735,738</u>	<u>271,076</u>	<u>464,662</u>	171.4%
Total Revenues	<u>47,150,659</u>	<u>49,457,562</u>	<u>(2,306,903)</u>	-4.7%
Expenses				
Administrative	\$ 4,441,409	\$ 6,222,924	(1,781,515)	-28.6%
Utilities	862,446	879,449	(17,003)	-1.9%
Maintenance	2,461,032	2,677,466	(216,434)	-8.1%
Tenant services	448,988	408,744	40,244	9.8%
Housing assistance payments	36,997,355	36,622,551	374,804	1.0%
General	984,389	572,003	412,386	72.1%
Interest expense	64,120	76,718	(12,598)	-16.4%
Loss on sale of capital assets	-	7,072	(7,072)	-100%
Depreciation and amortization	<u>1,852,195</u>	<u>2,224,852</u>	<u>(372,657)</u>	-16.7%
Total Expenses	<u>48,111,934</u>	<u>49,691,779</u>	<u>(1,579,845)</u>	-3.2%
Increase (Decrease) in Net Position	<u>\$ (961,275)</u>	<u>\$ (234,217)</u>	<u>\$ (727,058)</u>	-310.4%

For more detail concerning the Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year 2017 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 \$39,255,247 of net capital assets as is reflected in the following Table 3, which represents a net decrease of \$1,021,605 from the 2016 fiscal year's ending balance.

TABLE 3

	<u>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Land	\$ 9,524,715	\$ 9,524,715	\$ -	0.0%
Buildings	29,461,667	30,548,099	(1,086,432)	-3.6%
Furniture and equipment	<u>268,865</u>	<u>204,038</u>	<u>64,827</u>	31.8%
Net capital assets	<u>\$ 39,255,247</u>	<u>\$ 40,276,852</u>	<u>\$ (1,021,605)</u>	-2.5%

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 \$1,497,179 of long-term notes and bonds payable as is reflected in the following Table 4, which represents a net decrease of \$226,624 from the 2016 fiscal year's ending balance.

TABLE 4

	<u>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Bonds payable	\$ 973,000	\$ 1,191,500	\$ (218,500)	-18.3%
Notes payable	<u>524,179</u>	<u>532,303</u>	<u>(8,124)</u>	-1.5%
Total bonds and notes payable	<u>\$ 1,497,179</u>	<u>\$ 1,723,803</u>	<u>\$ (226,624)</u>	-13.1%

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 November 2017 unemployment rate stood at 4.0%. This is in line with the national unemployment rate of 4.1%.
- 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 2017 the Authority does not anticipate significant reductions in federal grant funding for fiscal 2017 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 drastically reduced the past several quarters and the average rents in the Reno market continues to significantly increase compared to fiscal year 2016. The construction and real estate sector continues to hold the higher percentage growth in Washoe County and statewide.
- Note that "Other Income" increased 171% from 2016 to 2017 for the Authority due to the fact that the Authority earned \$196k in fees for services and \$41k in FSS forfeitures. The remainder of the other income was for non-dwelling rent and late charges.

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, 2017

	<u>Enterprise Housing Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash and investments (Note 2)	\$ 15,302,370
Due from other governments	255,015
Accounts receivable - other	130,155
Interest receivable	1,172
Notes receivable	67,975
Prepaid expenses	20,480
Total current assets	<u>15,777,167</u>
Noncurrent Assets:	
Notes receivable	537,000
Capital assets, net of accumulated depreciation of \$48,809,485 (Note 3)	<u>39,255,247</u>
Total noncurrent assets	<u>39,792,247</u>
Total assets	55,569,414
Deferred outflows of resources	<u>1,715,558</u>
Total assets and deferred outflows of resources	<u>\$ 57,284,972</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable - vendors	\$ 348,774
Due to other agencies	458,006
Tenant security deposits	453,349
Accrued payroll	204,743
Unearned revenue	46,808
Accrued interest payable	2,732
Notes payable - current (Note 4)	6,194
Compensated absences - current (Note 5)	31,051
Total current liabilities	<u>1,551,657</u>
Noncurrent Liabilities:	
OPEB obligation	292,404
Compensated absences, net of current portion (Note 5)	279,469
Notes payable, net of current portion (Note 4)	1,490,985
Accrued pension liability (Note 8)	6,549,310
Other noncurrent liabilities	123,111
Total noncurrent liabilities	<u>8,735,279</u>
Total liabilities	10,286,936
Deferred inflows of resources	<u>569,950</u>
Total liabilities and deferred inflows of resources	<u>10,856,886</u>
<u>NET POSITION</u>	
Net investment in capital assets	37,758,069
Restricted	-
Unrestricted	8,670,017
Total net position	<u>\$ 46,428,086</u>

See the accompanying notes to the financial statements

HOUSING AUTHORITY OF THE CITY OF RENO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Enterprise Housing Fund</u>
<u>Operating Revenues</u>	
Grants	\$ 40,111,636
Rental income	6,239,246
Other revenue	735,738
Total operating revenues	<u>47,086,620</u>
 <u>Operating Expenses</u>	
Administrative	4,441,409
Utilities	862,446
Maintenance	2,461,032
Tenant services	448,988
General	984,389
Housing assistance payments	36,997,355
Depreciation and amortization	1,852,195
Total operating expenses	<u>48,047,814</u>
Operating income (loss)	<u>(961,194)</u>
 <u>Non-Operating Revenues (Expenses)</u>	
Investment income	64,039
Interest expense	(64,120)
Total non-operating revenue (loss)	<u>(81)</u>
Change in net position	(961,275)
Net position, beginning of year	<u>47,389,361</u>
Net position, end of year	<u>\$ 46,428,086</u>

See the accompanying notes to the financial statements

HOUSING AUTHORITY OF THE CITY OF RENO
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Cash flows from operating activities:

Cash received from grants	\$ 40,283,542
Cash received from rents	6,239,246
Other cash receipts	712,944
Cash payments to employees for services	(5,930,054)
Cash payments to suppliers for goods and services	(3,891,190)
Cash payments to landlords	<u>(37,071,795)</u>
Net cash provided by operating activities	<u>342,693</u>

Cash flows from capital and related financing activities:

Acquisition of capital assets	(830,590)
Principal paid on capital debt	(226,624)
Interest paid on capital debt	<u>(61,388)</u>
Net cash used in capital and related financing activities	<u>(1,118,602)</u>

Cash flows from investing activities

Interest received	<u>69,758</u>
Net cash provided by investing activities	<u>69,758</u>

Net increase (decrease)	(706,151)
Beginning of year	<u>16,008,521</u>
End of year	<u>\$ 15,302,370</u>

Reconciliation of operating income (loss) to net cash

provided by (used in) operating activities:

Operating income	\$ (961,194)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation	1,852,195
Decrease (increase) in:	
Accounts receivable other governments	25,422
Tenants' accounts receivable	(69,602)
Notes receivable	146,484
Prepaid expenses	38,663
Inventory	66,000
Deferred outflows of resources	677,636
(Decrease) increase in:	
Accounts payable and accrued liabilities	(241,735)
Amounts due to other governments	195,354
Compensated absences	(28,059)
Unearned revenue	46,808
Pension liability	834,669
Deferred inflows of resources	(2,244,834)
OPEB liability	4,886
	<u>\$ 342,693</u>

See the accompanying notes to the financial statements

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2013 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, 2017 the Authority was administering the following programs which consisted of 7,235 units of low and moderate income housing:

	Number of Units
Moving to Work Program:	
Housing Complexes:	
Mineral Manor	144
Tom Sawyer Village	100
Silverado 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 THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1 (continued)

<u>Other Administered Programs:</u>	
Moderate Rehabilitation and Single Room Occupancy	27
Veterans Affairs Special Vouchers	278
Special Allocations	3,174
Business Activities	335
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>3,965</u>
Total units administered at June 30, 2017	<u><u>7,235</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 THE FINANCIAL STATEMENTS
JUNE 30, 2017

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 THE FINANCIAL STATEMENTS
JUNE 30, 2017

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 29 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. 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 THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1 (continued)

E. New GASB Pronouncements

During fiscal year 2017 the Authority adopted the following GASB Statements:

Statement No. 74 - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

Statement No. 77 - *Tax Abatement Disclosures*

Statement No. 78 - *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*

Statement No. 80 - *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*

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 THE FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 are as follows:

Cash and cash equivalents	\$ 5,344,405
Money Market Mutual Funds	8,752,967
Certificates of Deposit	<u>1,205,000</u>
Total cash and investments	<u>\$ 15,302,370</u>

The \$5,344,405 of cash and cash equivalents consists of \$5,343,428 maintained on deposit in banks and \$977 of petty cash. Of the amounts deposited into bank checking and savings and money market accounts \$750,000 is covered by federal deposit insurance. The remaining \$13,346,395, 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.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 2 (continued)

The \$8,752,967 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	<u>\$ 8,752,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,752,967</u>

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, 2017 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 THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 3 - CAPITAL ASSETS

The following is a summary of the Authority's changes in capital assets for the fiscal year ended June 30, 2017:

	Balance <u>6/30/16</u>	Additions	Adjustments/ Deletions	Balance <u>6/30/17</u>
Land	\$ 9,524,715	\$ -	\$ -	\$ 9,524,715
Buildings & improvements	77,835,170	755,065	(5,011)	78,585,224
Equipment	<u>887,367</u>	<u>67,110</u>	<u>316</u>	<u>954,793</u>
	<u>88,247,252</u>	<u>822,175</u>	<u>(4,695)</u>	<u>89,064,732</u>
Less accumulated Depreciation:				
Buildings & Improvements	(47,287,071)	(1,850,107)	13,621	(49,123,557)
Equipment	<u>(683,329)</u>	<u>(2,599)</u>	<u>-</u>	<u>(685,928)</u>
Total accumulated Depreciation	<u>(47,970,400)</u>	<u>(1,852,706)</u>	<u>13,621</u>	<u>(49,809,485)</u>
Capital assets, net	<u>\$ 40,276,852</u>	<u>\$ (1,030,531)</u>	<u>\$ 8,926</u>	<u>\$ 39,255,247</u>

Note 4 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2017:

	Balance <u>6/30/16</u>	Additions	Deletions	Balance <u>6/30/17</u>
Revenue refunding bonds	\$ 1,191,500	\$ -	\$ (218,500)	\$ 973,000
Notes Payable	532,303	-	(8,124)	524,179
Compensated absences	<u>338,579</u>	<u>-</u>	<u>(28,059)</u>	<u>310,520</u>
	<u>\$ 2,062,382</u>	<u>\$ -</u>	<u>\$ (254,683)</u>	<u>\$ 1,807,699</u>

Refunding bonds debt service requirements to maturity are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Required Payments</u>
2018	\$ -	\$ 24,082	\$ 24,082
2019	229,500	42,483	271,983
2020	241,000	30,839	271,839
2021	253,500	18,599	272,099
2022	<u>249,000</u>	<u>6,161</u>	<u>255,161</u>
	<u>\$ 973,000</u>	<u>\$ 122,164</u>	<u>\$ 1,095,164</u>

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 was \$973,000.

Notes payable 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>
2018	\$ 6,194	\$ 7,989	\$ 14,183
2019	7,112	7,782	14,894
2020	7,326	7,568	14,894
2021	7,548	7,346	14,894
2022	7,772	7,122	14,894
2023-2027	61,237	34,878	96,115
2028-2032	97,772	30,791	128,563
2033-2037	271,017	18,810	289,827
2038-2042	<u>58,201</u>	<u>1,847</u>	<u>60,048</u>
	<u>\$ 524,179</u>	<u>\$ 124,133</u>	<u>\$ 648,312</u>

Notes payable at June 30, 2017 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, 2017, Starting September 1, 2017 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, 2017 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, 2017, with the first payment being applied only to interest. The balance outstanding on the loan at June 30, 2017 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, 2017 was \$211,286

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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 \$310,520 has been valued and recorded by the Authority as of June 30, 2017.

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 2017, 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 THE FINANCIAL STATEMENTS
JUNE 30, 2017

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	\$ 47,957
Interest on net OPEB obligation	11,325
Adjustment of annual required contribution	<u>(14,120)</u>
Annual OPEB cost	45,162
Contributions made	<u>40,276</u>
Increase in the net OPEB	4,886
Net OPEB obligation (asset), beginning of year	<u>287,518</u>
Net OPEB obligation (asset), end of year	<u>\$ 292,404</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, 2015, 2016, and 2017 were as follows:

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net Ending OPEB Obligation (Asset)
June 30, 2015	\$ 44,300	\$ 44,143	99.60%	\$ 283,856
June 30, 2016	\$ 44,745	\$ 41,803	91.82%	\$ 287,518
June 30, 2017	\$ 45,162	\$ 40,276	89.10%	\$ 292,404

Funded Status and Funding Progress:

The funded status of the plan as of June 30, 2017, developed from a roll forward of the results of the June 30, 2017 valuation, is as follows:

	<u>June 30, 2017</u>
Actuarial accrued liability (AAL)	\$ 663,411
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 663,411</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 THE FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2016	June 30, 2016
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level Dollar, Closed	Level Percent of Projected Payroll, Open
Amortization period	27 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 2017, declining by .5% per year to ultimate 5.0% per year trend in 2021	7.5% increase in 2017, 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 THE FINANCIAL STATEMENTS
JUNE 30, 2017

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 THE FINANCIAL STATEMENTS
JUNE 30, 2017**

Note 7 (continued)

The Plans' provisions and benefits in effect at June 30, 2017, 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 stature. 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, 2016 and June 30, 2017 the Regular Employer-pay contribution (EPC) rate was 28.1 % and 28.1% respectively.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 7 (continued)

For the year ended June 30, 2017, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions – employer \$ 864,843

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, 2017:

	Proportionate Share of Pension Liability	
Net Pension Liability – Balance at June 30, 2016	\$ 5,714,641	.049868%
Net Pension Liability – Balance at June 30, 2017	6,549,310	.048670%
Total Net Change	\$ (834,669)	

The net pension liability (NPL) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NPL \$6,549,310 is measured as a proportionate share of the net pension liability of \$13,457,132,664 (or .048679%).

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, 2017.

Pension expense – As of June 30, 2017, the Authority recognized pension revenue of \$1,246,855.

Deferred inflows/outflows - At June 30, 2017, 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	\$ 864,843	\$ -
Differences between actual and expected experience	-	(438,559)
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	608,840	-
Adjustment due to differences in proportions	241,875	(131,391)
Total	\$ 1,715,558	\$ (569,950)

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 7 (continued)

Of the \$1,715,558 report as deferred outflows of resources, \$864,843 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, 2017 (measurement period ended June 30, 2017). 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
2018	(50,470)
2019	(50,470)
2020	215,870
2021	104,413
2022	(40,199)
2023	(8,862)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability – The System’s net pension liability was measured as of June 30, 2016, 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, 2016 Funding actuarial valuation

Actuarial assumptions used in the June 30, 2016 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, 2016. 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, 2016, 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, 2016.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 7 (continued)

The following was the Board adopted policy target asset allocation as of June 30, 2016:

Asset Class	Allocation	Long-Term Geometric Expected Real Rate of Return*
Large Cap Equities	42.0%	5.50%
International Equities (Unhedged)	18.0%	5.75%
Core Bonds	30.0%	0.25%
Private Equity	10.0%	6.80%
Total	<u>100.0%</u>	

*As of June 30, 2016 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:

	Discount Rate – 1% (7.00%)	Current Discount Rate (8.00%)	Discount Rate +1% (9.00%)
Plan's Pension Liability	\$ 9,623,744	\$ 6,549,310	\$ 4,021,083

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, 2017, 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 THE FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017 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, 2017 is as follows:

Total assets	\$ 37,010,002
Total liabilities	<u>(13,142,172)</u>
 Total Net Assets	 <u>\$ 23,867,830</u>
 Total revenues	 \$ 11,743,844
Total expenses	<u>(13,182,543)</u>
 Net increase (decrease) in net assets	 <u>\$ (1,438,699)</u>

HARRP had \$2,023,595 in long-term losses outstanding at December 31, 2017. 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 (the defendant) for an estimated \$3,000,000 alleging a failure to pay the plaintiffs a minimum wage. On March 27, 2018, the Authority's motion for summary judgment was granted and the case was therefore dismissed. The plaintiffs have appealed to the Ninth Circuit Court of Appeals. The Authority (the defendant) continues to believe it has adequate defenses and will not be materially impacted by the outcome.

Note 10 – SUBSEQUENT EVENTS

Management evaluated all activity of the Authority through May 10, 2018 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, 2017**

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, 2015 for the year ended	-	\$ 620,131	0.00%	\$ 620,131	N/A	N/A
June 30, 2016	-	\$ 606,074	0.00%	\$ 606,074	N/A	N/A
June 30, 2017	-	\$ 590,533	0.00%	\$ 590,533	N/A	N/A

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, 2015 for the year ended	-	\$ 61,103	0.00%	\$ 61,103	\$ 2,721,551	2.4%
June 30, 2016	-	\$ 67,074	0.00%	\$ 67,074	\$ 2,830,413	2.4%
June 30, 2017	-	\$ 72,878	0.00%	\$ 72,878	\$ 2,943,630	2.5%

**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%
June 30, 2017	0.04867%	\$ 6,549,310	\$ 2,943,630	222.50%	72.23%

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

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION
AS OF JUNE 30, 2017
(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	25.8%
June 30, 2016	\$ 825,473	\$ (825,473)	\$ -	\$ 2,948,118	28.1%
June 30, 2017	\$ 796,225	\$ (864,843)	\$ (68,618)	\$ 2,943,630	29.4%

Notes to Schedule:

Valuation date	June 30, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Asset valuation method	Actuarial value of assets
Inflation	3.50%
Payroll growth	5.00% including inflation
Salary increase	4.6% to 9.75% depending on service. Rates Include inflation and productivity increases
Investment rate of return	8.00%
Retirement age	The probabilities of retirement are based on the results of the NV PERS Experience Review completed in 2013
Mortality Rates	The probabilities of retirement are based on the results of the NV PERS Experience Review completed in 2013.

*Fiscal year ending June 30, 2015, was the first year of implementation, therefore only three 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, 2017**

<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Department of Housing and <u>Urban Development (HUD)</u>		
Direct Programs:		
Section 8 Project Based Cluster:		
Section 8 Housing Assistance Payments Program	14.195	\$ 22,452,532
Section 8 Rental Moderate Rehabilitation Program – SRO	14.249	90,035
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	27,126
Resident Opportunities Supportive Services	14.870	20,615
Moving to Work Demonstration Program	14.881	<u>17,521,328</u>
Total direct funding		<u>40,111,636</u>
Total Federal expenditures, all U.S. Department of Housing and Urban Development		<u>\$ 40,111,636</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, 2017

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, 2017. 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 (NV0001)
RENO, NV

Entity Wide Balance Sheet Summary
Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14.881 Moving to Work Demonstration Program	14.0PS MTW Demonstration Program for Low Rent	14.870 Resident Opportunity and Supportive Services	14. CFP MTW Demonstration Program for Capital Fund	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.2 Component Unit - Blended
111 Cash - Unrestricted	1,183,698	159,264	-	-	-	129,048	405,157	8,280	760,754	1,433,523
112 Cash - Restricted - Modernization and Development										
113 Cash - Other Restricted							7,457		98,981	
114 Cash - Tenant Security Deposits	205,591									
115 Cash - Restricted for Payment of Current Liabilities										
100 Total Cash	1,389,289	159,264	-	-	-	129,048	412,614	8,280	859,735	1,433,523
121 Accounts Receivable - PHA Projects		38,544								
122 Accounts Receivable - HUD Other Projects	121,489									67,419
124 Accounts Receivable - Other Government										
125 Accounts Receivable - Miscellaneous		5,620								
126 Accounts Receivable - Tenants	43,746	128,900					23	360	8,012	
126.1 Allowance for Doubtful Accounts - Tenants	(32,819)	(40,996)							(9,091)	
126.2 Allowance for Doubtful Accounts - Other										
127 Notes, Loans, & Mortgages Receivable - Current	15,523								45,000	
128 Fraud Recovery										
128.1 Allowance for Doubtful Accounts - Fraud										
129 Accrued Interest Receivable	126	4							326	115
120 Total Receivables, Net of Allowances for Doubtful Accounts	148,065	132,072	-	-	-	-	23	360	44,247	67,534
131 Investments - Unrestricted	1,041,627	36,150							2,686,755	969,385
132 Investments - Restricted										
135 Investments - Restricted for Payment of Current Liability										
142 Prepaid Expenses and Other Assets	220	1,875								12,372
143 Inventories										
143.1 Allowance for Obsolete Inventories										
144 Inter Program Due From	285,843	265,460					32,472		475,247	
145 Assets Held for Sale										
150 Total Current Assets	2,865,044	594,821	-	-	-	129,048	445,109	8,640	4,065,984	2,482,814
161 Land	2,273,745									
162 Buildings	46,558,054						143,190		2,901,945	
163 Furniture, Equipment & Machinery - Dwellings	357,947						1,350,392		13,171,245	
164 Furniture, Equipment & Machinery - Administration	107,456	41,654							38,618	
165 Leasehold Improvements	6,582						8,300		2,711	62,761

CITY OF RENO HOUSING AUTHORITY (NV0001)
 RENO, NV

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14.881 Moving to Work Demonstration Program	14.OPS MTW Demonstration Program for Low Rent	14.870 Resident Opportunity and Supportive Services	14.CFP MTW Demonstration Program for Capital Fund	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.238 HOME Investment Partnerships Program	14.238 Shelter Plus Care	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.2 Component Unit - Blended
166 Accumulated Depreciation	(38,955,247)	(31,279)					(248,678)		(2,220,713)	(62,761)
167 Construction in Progress	105,731									
168 Infrastructure										
160 Total Capital Assets, Net of Accumulated Depreciation	10,454,268	10,375					1,253,204		13,893,806	-
171 Notes, Loans and Mortgages Receivable - Non-Current	-								537,000	
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	10,454,268	10,375					1,253,204		14,430,806	-
200 Deferred Outflow of Resources	507,805	540,400							97,786	
290 Total Assets and Deferred Outflow of Resources	13,827,117	1,145,596				129,048	1,698,313	8,640	18,594,576	2,482,814
311 Bank Overdraft										
312 Accounts Payable <= 90 Days	165,034	11,484					100		2,763	3,008
313 Accounts Payable >90 Days Past Due										
321 Accrued Wage/Payroll Taxes Payable	63,780	29,820					1,670		3,075	11,633
322 Accrued Compensated Absences - Current Portion	9,409	10,884					491		909	
324 Accrued Contingency Liability										
325 Accrued Interest Payable										
331 Accounts Payable - HUD PHA Programs	43,192					39,013				
332 Account Payable - PHA Projects	372,342									
333 Accounts Payable - Other Government	205,591						7,457		98,981	
341 Tenant Security Deposits	23,830						730		10,829	
342 Unearned Revenue										
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										
347 Inter Program - Due To	830,026					109,132		6,720		133,669

CITY OF RENO HOUSING AUTHORITY (NV0001)
 RENO, NV

Entity Wide Balance Sheet Summary
 Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14.881 Moving to Work Demonstration Program	14.0PS-MTW Demonstration Program for Low Rent	14.870 Resident Opportunity and Supportive Services	14.CFP-MTW Demonstration Program for Capital Fund	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.2 Component Unit - Blended
348 Loan Liability - Current	-									
310 Total Current Liabilities	1,713,204	52,188	-	-	-	148,145	10,448	6,720	116,557	148,310
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	14,733	64,235								
354 Accrued Compensated Absences - Non Current	84,678	97,958					4,420		8,185	
355 Loan Liability - Non Current	-									
356 FASB 5 Liabilities										
357 Accrued Pension and OPEB Liabilities	2,030,285	2,161,272	-	-	-	-	-	-	392,960	-
350 Total Non-Current Liabilities	2,129,696	2,323,465	-	-	-	-	4,420	-	401,145	-
300 Total Liabilities	3,842,900	2,375,653	-	-	-	148,145	14,868	6,720	517,702	148,310
400 Deferred Inflow of Resources	168,704	179,534							32,487	
508.4 Net Investment in Capital Assets	10,454,269	10,375					1,253,204		13,893,806	
511.4 Restricted Net Position										
512.4 Unrestricted Net Position	(638,756)	(1,419,966)	-	-	-	(19,097)	430,241	1,920	4,150,581	2,334,504
513 Total Equity - Net Assets / Position	9,815,513	(1,409,591)	-	-	-	(19,097)	1,683,445	1,920	18,044,387	2,334,504
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	13,827,117	1,145,596	-	-	-	129,048	1,698,313	8,640	18,594,576	2,482,814

CITY OF RENO HOUSING AUTHORITY (NV0001)

RENO, NV

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

	1 Business Activities	14.HCV MTW Demonstration Program for HCV program	14.313 Dollar Home Sales	14.871 Housing Choice Vouchers	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	110,549		346,014			30,585	594,463	5,161,335		5,161,335
112 Cash - Restricted - Modernization and Development										
113 Cash - Other Restricted										
114 Cash - Tenant Security Deposits	123,575		17,745					453,349		453,349
115 Cash - Restricted for Payment of Current Liabilities										
100 Total Cash	234,124		363,759			30,585	594,463	5,614,684		5,614,684
121 Accounts Receivable - PHA Projects										
122 Accounts Receivable - HUD Other Projects								38,544		38,544
124 Accounts Receivable - Other Government	27,563							188,908		188,908
125 Accounts Receivable - Miscellaneous	4,832							27,563		27,563
126 Accounts Receivable - Tenants	4,788		450				17,601	28,053		28,053
126.1 Allowance for Doubtful Accounts - Tenants	(1,271)							186,279		186,279
126.2 Allowance for Doubtful Accounts - Other								(84,177)		(84,177)
127 Notes, Loans, & Mortgages Receivable - Current	7,452							67,975		67,975
128 Fraud Recovery										
128.1 Allowance for Doubtful Accounts - Fraud										
129 Accrued Interest Receivable	489							1,172		1,172
120 Total Receivables, Net of Allowances for Doubtful Accounts	43,853		450				17,713	454,317		454,317
131 Investments - Unrestricted	4,028,620						925,149	9,687,686		9,687,686
132 Investments - Restricted										
135 Investments - Restricted for Payment of Current Liability										
142 Prepaid Expenses and Other Assets							6,013	20,480		20,480
143 Inventories										
143.1 Allowance for Obsolete Inventories										
144 Inter Program Due From	1,609,346							2,668,368	(2,668,368)	
145 Assets Held for Sale										
150 Total Current Assets	5,915,943		364,209			30,585	1,543,338	18,445,535	(2,668,368)	15,777,167
161 Land	3,883,435		322,400					9,524,715		9,524,715
162 Buildings	14,530,535		1,817,359				925,063	78,352,648		78,352,648
163 Furniture, Equipment & Machinery - Dwellings	118,676						10,460	525,701		525,701
164 Furniture, Equipment & Machinery - Administration							214,510	429,092		429,092
165 Leasehold Improvements	111,963							126,845		126,845

CITY OF RENO HOUSING AUTHORITY (NV0001)

RENO, NV

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

	1 Business Activities	14.HCV MTW Demonstration Program for HCV program	14.313 Dollar Home Sales	14.871 Housing Choice Vouchers	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
166 Accumulated Depreciation	(6,943,364)		(267,876)				(1,079,567)	(49,809,485)		(49,809,485)
167 Construction in Progress								105,731		105,731
168 Infrastructure										
160 Total Capital Assets, Net of Accumulated Depreciation	11,701,245	-	1,871,883	-	-	-	70,466	39,255,247	-	39,255,247
171 Notes, Loans and Mortgages Receivable - Non-Current								537,000		537,000
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	11,701,245	-	1,871,883	-	-	-	70,466	39,792,247	-	39,792,247
200 Deferred Outflow of Resources							569,567	1,715,558		1,715,558
290 Total Assets and Deferred Outflow of Resources	17,617,188	-	2,236,092	-	-	30,585	2,183,371	59,953,340	(2,668,368)	57,284,972
311 Bank Overdraft				428				348,774		348,774
312 Accounts Payable <= 90 Days	115,909									
313 Accounts Payable >90 Days Past Due										
321 Accrued Wage/Payroll Taxes Payable	50,283		1,788				42,694	204,743		204,743
322 Accrued Compensated Absences - Current Portion	1,678		491				7,189	31,051		31,051
324 Accrued Contingency Liability										
325 Accrued Interest Payable	2,732							2,732		2,732
331 Accounts Payable - HUD PHA Programs						3,459		85,664		85,664
332 Account Payable - PHA Projects										
333 Accounts Payable - Other Government								372,342		372,342
341 Tenant Security Deposits	123,575		17,745					453,349		453,349
342 Unearned Revenue	8,906		2,513					46,808		46,808
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	6,194							6,194		6,194
344 Current Portion of Long-term Debt - Operating Borrowings										
345 Other Current Liabilities										
346 Accrued Liabilities - Other										
347 Inter Program - Due To	585,915		756,415			26,813	219,678	2,668,368	(2,668,368)	-

CITY OF RENO HOUSING AUTHORITY (NV001)
 RENO, NV

Entity Wide Balance Sheet Summary
 Submission Type: Audited/Single Audit

	1 Business Activities	14.HCV MTW Demonstration Program for HCV program	14.313 Dollar Home Sales	14.871 Housing Choice Vouchers	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
348 Loan Liability - Current										
310 Total Current Liabilities	895,192	-	779,380	-	-	30,272	319,609	4,220,025	(2,668,368)	1,551,657
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	1,490,985							1,490,985		1,490,985
352 Long-term Debt, Net of Current - Operating Borrowings										
353 Non-current Liabilities - Other	44,143							123,111		123,111
354 Accrued Compensated Absences - Non Current	15,104		4,420				64,704	279,469		279,469
355 Loan Liability - Non Current										
356 FASB 5 Liabilities										
357 Accrued Pension and OPEB Liabilities	1,550,232		4,420				2,257,197	6,841,714		6,841,714
350 Total Non-Current Liabilities	1,550,232		4,420				2,321,901	8,735,279		8,735,279
300 Total Liabilities	2,445,424		783,800			30,272	2,641,510	12,955,304	(2,668,368)	10,286,936
400 Deferred Inflow of Resources							189,225	569,950		569,950
508.4 Net Investment in Capital Assets	10,204,066		1,871,883				70,466	37,758,069		37,758,069
511.4 Restricted Net Position										
512.4 Unrestricted Net Position	4,967,698		(419,591)			313	(717,830)	8,670,017		8,670,017
513 Total Equity - Net Assets / Position	15,171,764		1,452,292			313	(647,364)	46,428,086		46,428,086
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	17,617,188		2,236,092			30,585	2,183,371	59,953,340	(2,668,368)	57,284,972

CITY OF RENO HOUSING AUTHORITY (NV001)
 RENO, NV
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14.881 Moving to Work Demonstration Program	14. OPS MTW Demonstration Program for Low Rent	14.870 Resident Opportunity and Supportive Services	14. CFP MTW Demonstration Program for Capital Fund	14.749 Section 8 Moderate Rehabilitation Single Room Occupancy	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.2 Component Unit - Blended	1 Business Activities
70300 Net Tenant Rental Revenue	2,515,908						79,093		1,043,430		2,408,729
70400 Tenant Revenue - Other	56,014						50		7,050		37,115
70500 Total Tenant Revenue	2,571,922						79,143		1,050,480		2,445,844
70600 HUD PHA Operating Grants			1,587,576	20,615	52,625	90,035					
70610 Capital Grants					222,200						
70710 Management Fee											
70720 Asset Management Fee											
70730 Book Keeping Fee											
70740 Front Line Service Fee											
70750 Other Fees											
70700 Total Fee Revenue											
70800 Other Government Grants											
71100 Investment Income - Unrestricted	4,183	429							16,860	22,452,532	28,303
71200 Mortgage Interest Income											
71300 Proceeds from Disposition of Assets Held for Sale											
71310 Cost of Sale of Assets											
71400 Fraud Recovery		279,694									
71500 Other Revenue	15,636	60,738					23	1,920	5,129	72,453	110,997
71600 Gain or Loss on Sale of Capital Assets											
72000 Investment Income - Restricted											
70000 Total Revenue	2,591,741	340,861	1,587,576	20,615	274,825	90,035	79,166	1,920	1,072,469	22,531,913	2,585,144
91100 Administrative Salaries	331,646	875,290		12,782			28,984		49,536	150,039	135,391
91200 Auditing Fees	23,000					2,000			3,000	4,000	
91300 Management Fee	612,005						8,149		102,297		158,010
91310 Book-keeping Fee	67,590	249,600					900		10,080	286,380	6,750
91400 Advertising and Marketing	4,645	672									10,923
91500 Employee Benefit contributions - Administrative	243,401	243,452		3,809			24,813		21,799	46,954	66,826
91600 Office Expenses	153,098	214,422							59,453	72,404	58,364
91700 Legal Expense		1,695					44		1,582	3,683	276,595
91800 Travel	9,622	5,156								14,067	1,907
91810 Allocated Overhead											
91900 Other	5								29,000		
91000 Total Operating - Administrative	1,445,012	1,590,287		16,591		2,000	62,890		276,747	577,527	714,766

CITY OF RENO HOUSING AUTHORITY (NV001)
 RENO, NV
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14.881 Moving to Work Demonstration Program	14. OPS MTW Demonstration Program for Low Rent	14.870 Resident Opportunity and Supportive Services	14. CFP MTW Demonstration Program for Capital Fund	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.2 Component Unit - Blended	1 Business Activities
92000 Asset Management Fee	88,400						1,200		14,880		40,920
92100 Tenant Services - Salaries	119,859	42,980		3,003							
92200 Relocation Costs											
92300 Employee Benefit Contributions - Tenant Services	17,316	41,325		952						1,252	
92400 Tenant Services - Other	85,308	89,669								924	46,242
92500 Total Tenant Services	222,483	173,974		3,955						2,176	46,242
93100 Water	133,100						466		2,821	347	38,461
93200 Electricity	55,044						398		788	1,084	27,422
93300 Gas	41,717						377		778	454	12,564
93400 Fuel											
93500 Labor											
93600 Sewer	326,432						4,807		36,095	540	134,589
93700 Employee Benefit Contributions - Utilities											
93800 Other Utilities Expense	9,967	475					13		677	76	1,105
93000 Total Utilities	566,260	475					6,061		41,159	2,501	214,141
94100 Ordinary Maintenance and Operations - Labor	458,664						4,267		77,098	1,376	180,491
94200 Ordinary Maintenance and Operations - Materials and Other	255,771	14					3,399		73,476	360	100,847
94300 Ordinary Maintenance and Operations Contracts	539,700	6,306					12,552		86,470	9,374	248,063
94500 Employee Benefit Contributions - Ordinary Maintenance	199,121						7,412		16,445	14,399	67,454
94000 Total Maintenance	1,453,256	6,320					27,630		253,489	25,509	596,855
95100 Protective Services - Labor											
95200 Protective Services - Other Contract Costs											
95300 Protective Services - Other											
95500 Employee Benefit Contributions - Protective Services											
95000 Total Protective Services											
96110 Property Insurance	54,434						725		8,330		24,716
96120 Liability Insurance	11,108						148		1,657		5,044
96130 Workmen's Compensation	17,591	22,817		69			998		1,383	32	11,833
96140 All Other Insurance	21,611	1,476					195		2,685	3,177	8,123
96100 Total Insurance Premiums	104,744	24,293		69			2,066		14,055	3,209	49,716

CITY OF RENO HOUSING AUTHORITY (NV001)
RENO, NV

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14.881 Moving to Work Demonstration Program	14. OPS MTW Demonstration Program for Low Rent	14.870 Resident Opportunity and Supportive Services	14. CFP MTW Demonstration Program for Capital Fund	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.2 Component Unit - Blended	1 Business Activities
96200 Other General Expenses	33,953	1,082					39		6,911		142,112
96210 Compensated Absences	99,526	108,208					8,995		7,172		23,691
96300 Payments in Lieu of Taxes	196,201										
96400 Bad debt - Tenant Rents	29,645	40,996							15,123		8,667
96500 Bad debt - Mortgages											
96600 Bad debt - Other											
96800 Severance Expense											
96000 Total Other General Expenses	359,325	150,286					9,034		29,206		174,470
96710 Interest of Mortgage (or Bonds) Payable											
96720 Interest on Notes Payable (Short and Long Term)	-										64,120
96730 Amortization of Bond Issue Costs											
96700 Total Interest Expense and Amortization Cost											64,120
96900 Total Operating Expenses	4,239,480	1,945,635		20,615		2,000	108,881		629,536	610,922	1,901,230
97000 Excess of Operating Revenue over Operating Expenses	(1,647,739)	(1,604,774)	1,587,576		274,825	88,035	(29,715)	1,920	442,933	21,920,991	683,914
97100 Extraordinary Maintenance											
97200 Casualty Losses - Non-capitalized											
97300 Housing Assistance Payments		15,132,130				107,132				21,734,280	
97350 HAP Portability-In											
97400 Depreciation Expense	746,707	2,599					44,842		449,798		529,782
97500 Fraud Losses											
97600 Capital Outlays - Governmental Funds											
97700 Debt Principal Payment - Governmental Funds											
97800 Dwelling Units Rent Expense		17,080,364		20,615		109,132	153,723		1,079,334	22,345,202	2,431,012
90000 Total Expenses	4,986,187	17,080,364		20,615		109,132	153,723		1,079,334	22,345,202	2,431,012
10010 Operating Transfer In	1,862,401	15,658,927									
10020 Operating transfer Out			(1,587,576)		(274,825)						
10030 Operating Transfers from/to Primary Government											
10040 Operating Transfers from/to Component Unit											
10050 Proceeds from Notes, Loans and Bonds											
10060 Proceeds from Property Sales											

CITY OF RENO HOUSING AUTHORITY (NV001)
 RENO, NV
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14.881 Moving to Work Demonstration Program	14. OPS MTW Demonstration Program for Low Rent	14.870 Resident Opportunity and Supportive Services	14. CFP MTW Demonstration Program for Capital Fund	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.2 Component Unit - Blended	1 Business Activities
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	-										
10093 Transfers between Program and Project - In											
10094 Transfers between Project and Program - Out											
10100 Total Other financing Sources (Uses)	1,862,401	15,658,927	(1,587,576)	-	(274,825)	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(532,045)	(1,080,576)	-	-	-	(19,097)	(74,557)	1,920	(6,865)	186,711	154,132
11020 Required Annual Debt Principal Payments											
11030 Beginning Equity	10,347,558	(329,015)	-	-	-	-	1,758,002	-	18,051,252	2,147,793	15,017,632
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-	-	-	-	-	-
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	8484	33288				264	120	1	1344	38184	4224
11210 Number of Unit Months Leased	8318	31844				264	87	1	1344	38184	4170
11270 Excess Cash	802,719										
11610 Land Purchases	-										
11620 Building Purchases	319,022										
11630 Furniture & Equipment - Dwelling Purchases	-										
11640 Furniture & Equipment - Administrative Purchases	-										
11650 Leasehold Improvements Purchases	-										
11660 Infrastructure Purchases	-										
13510 CFFP Debt Service Payments	-										
13901 Replacement Housing Factor Funds	-										

CITY OF RENO HOUSING AUTHORITY (NV001)
 RENO, NV
 Entity Wide Revenue and Expense Summary
 Submission Type: Audited/Single Audit

	14.HCV MTW Demonstration Program for HCV program	14.313 Dollar Home Sales	14.871 Housing Choice Vouchers	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		152,426				39,660	6,239,246		6,239,246
70400 Tenant Revenue - Other		752				229	101,210		101,210
70500 Total Tenant Revenue		153,178				39,889	6,340,456		6,340,456
70600 HUD PHA Operating Grants	15,658,927			22,452,532	27,126		39,889,436		39,889,436
70610 Capital Grants							222,200		222,200
70710 Management Fee						775,804	775,804	(775,804)	-
70720 Asset Management Fee						148,040	148,040	(148,040)	-
70730 Book Keeping Fee						623,198	623,198	(623,198)	-
70740 Front Line Service Fee									
70750 Other Fees									
70700 Total Fee Revenue						1,547,042	1,547,042	(1,547,042)	-
70800 Other Government Grants									
71100 Investment Income - Unrestricted							22,452,532	(22,452,532)	-
71200 Mortgage Interest Income						7,336	64,039		64,039
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets									
71400 Fraud Recovery							279,694		279,694
71500 Other Revenue							354,834		354,834
71600 Gain or Loss on Sale of Capital Assets									
72000 Investment Income - Restricted									
70000 Total Revenue	15,658,927	153,178		22,452,532	27,126	1,682,205	71,150,233	(23,999,574)	47,150,659
91100 Administrative Salaries									
91200 Auditing Fees		28,984				680,234	2,292,886		2,292,886
91300 Management Fee		17,928			3,000	2,000	37,000		37,000
91310 Book-keeping Fee		1,897					898,389	(775,804)	122,585
91400 Advertising and Marketing							623,197	(623,198)	(1)
91500 Employee Benefit contributions - Administrative		24,305				4,289	20,529		20,529
91600 Office Expenses		31,081				34,005	709,364		709,364
91700 Legal Expense						209,198	798,020		798,020
91800 Travel		385				85,840	367,813		367,813
91810 Allocated Overhead						24,684	57,447		57,447
91900 Other									
91900 Total Operating - Administrative		104,580				6,760	35,765		35,765
						1,047,010	5,840,410	(1,399,002)	4,441,408

CITY OF RENO HOUSING AUTHORITY (NV001)

RENO, NV

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

	14.HCV MTW Demonstration Program for HCV program	14.313 Dollar Home Sales	14.871 Housing Choice Vouchers	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
92000 Asset Management Fee		2,640					148,040	(148,040)	-
92100 Tenant Services - Salaries							165,842		165,842
92200 Relocation Costs									
92300 Employee Benefit Contributions - Tenant Services							60,845		60,845
92400 Tenant Services - Other						158	222,301		222,301
92500 Total Tenant Services						158	448,988		448,988
93100 Water		287				1,643	177,125		177,125
93200 Electricity		254				9,755	94,745		94,745
93300 Gas						2,449	58,339		58,339
93400 Fuel									
93500 Labor									
93600 Sewer		8,024					510,487		510,487
93700 Employee Benefit Contributions - Utilities									
93800 Other Utilities Expense		118				9,319	21,750		21,750
93000 Total Utilities		8,683				23,166	862,446		862,446
94100 Ordinary Maintenance and Operations - Labor		4,960				8,123	734,979		734,979
94200 Ordinary Maintenance and Operations - Materials and Other		2,995				5,079	441,941		441,941
94300 Ordinary Maintenance and Operations Contracts		13,307				43,323	959,095		959,095
94500 Employee Benefit Contributions - Ordinary Maintenance		8,102				12,084	325,017		325,017
94000 Total Maintenance		29,364				68,609	2,461,032		2,461,032
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs									
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services									
96110 Property Insurance		1,595					89,800		89,800
96120 Liability Insurance		325					18,282		18,282
96130 Workmen's Compensation		1,014				12,746	68,483		68,483
96140 All Other Insurance		429				4,906	42,602		42,602
96100 Total Insurance Premiums		3,363				17,652	219,167		219,167

CITY OF RENO HOUSING AUTHORITY (NV001)
 RENO, NV
 Entity Wide Revenue and Expense Summary
 Submission Type: Audited/Single Audit

	14.HCV MTW Demonstration Program for HCV Program	14.313 Dollar Home Sales	14.871 Housing Choice Vouchers	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
96200 Other General Expenses		788		22,452,532	-		22,637,417	(22,452,532)	184,885
96210 Compensated Absences		8,995				32,413	289,000		289,000
96300 Payments in Lieu of Taxes							196,201		196,201
96400 Bad debt - Tenant Rents							94,431		94,431
96500 Bad debt - Mortgages									
96600 Bad debt - Other						706	706		706
96800 Severance Expense									
96000 Total Other General Expenses		9,783		22,452,532		33,119	23,217,755	(22,452,532)	765,223
96710 Interest of Mortgage (or Bonds) Payable							64,120		64,120
96720 Interest on Notes Payable (Short and Long Term)									
96730 Amortization of Bond Issue Costs									
96700 Total Interest Expense and Amortization Cost							64,120		64,120
96900 Total Operating Expenses		158,413		22,452,532	3,000	1,189,714	33,261,958	(23,999,574)	9,262,384
97000 Excess of Operating Revenue over Operating Expenses	15,658,927	(5,235)			24,126	492,491	37,888,275		37,888,275
97100 Extraordinary Maintenance									
97200 Casualty Losses - Non-capitalized									
97300 Housing Assistance Payments					23,813		36,997,355		36,997,355
97350 HAP Portability-In									
97400 Depreciation Expense		61,196				17,271	1,852,195		1,852,195
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense									
90000 Total Expenses		219,609		22,452,532	26,813	1,206,985	72,111,508	(23,999,574)	48,111,934
10010 Operating Transfer In									
10020 Operating transfer Out	(15,658,927)						17,521,328	(17,521,328)	-
10030 Operating Transfers from/to Primary Government									
10040 Operating Transfers from/to Component Unit									
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									

CITY OF RENO HOUSING AUTHORITY (NV001)
 RENO, NV

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

	14.HCV MTW Demonstration Program for HCV program	14.313 Dollar Home Sales	14.871 Housing Choice Vouchers	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
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									
10093 Transfers between Program and Project - In									
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	(15,658,927)								
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses		(66,431)			313	475,220	(961,275)		(961,275)
11020 Required Annual Debt Principal Payments									
11030 Beginning Equity		1,518,723				(1,122,584)	47,389,361		47,389,361
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors									
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		264	0		60		86233		86233
11210 Number of Unit Months Leased		168	0		60		84440		84440
11270 Excess Cash							802,719		802,719
11610 Land Purchases									
11620 Building Purchases									
11630 Furniture & Equipment - Dwelling Purchases									
11640 Furniture & Equipment - Administrative Purchases									
11650 Leasehold Improvements Purchases									
11660 Infrastructure Purchases									
13510 CFFP Debt Service Payments									
13901 Replacement Housing Factor Funds									

**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, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Reno's basic financial statements and have issued our report thereon dated April 25, 2018.

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'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Reno'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control which are described as finding number 2017-001 in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Reno's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Housing Authority of the City Reno's Response to Findings

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

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.

Cropper Rowe, LLP

Walnut Creek, California
May 10, 2018

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON 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 Federal Program

We have audited the Housing Authority of the City of Reno's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the Housing Authority of the City of Reno's major federal programs for the year ended June 30, 2017. The Housing Authority of the City of Reno's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of Reno's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Reno'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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the Housing Authority of the City of Reno's compliance.

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Reno complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to these matters.

The Housing Authority of the City of Reno's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Housing Authority of the City of Reno's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be material weaknesses.

The Housing Authority of the City of Reno's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Housing Authority of the City of Reno's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of the Housing Authority of the City of Reno as of and for the year ended June 30, 2017, and have issued our report thereon dated May 10, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.

Cropper Rowe, LLP

Walnut Creek, California
May 10, 2018

**HOUSING AUTHORITY OF THE CITY OF RENO
STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2017**

There were no noted audit findings in the Authority's audit for fiscal year 2016.

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	Yes
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)?	Yes
Major Programs:	
Moving to Work Demonstration Program	14.881
Dollar threshold to distinguish between Type A and Type B programs	\$ 1,203,349
Auditee qualified as low risk auditee?	Yes

Section II – Financial Statement Findings

See Finding number 2017-001 on page 60

Section III – Federal Award Findings and Questioned Costs

See Finding number 2017-001 on page 60

HOUSING AUTHORITY OF THE CITY OF RENO
AUDIT FINDING
JUNE 30, 2017

FINDING NUMBER 2017-001

FINDING – DURING THE 2017 FISCAL YEAR THE AUTHORITY’S ACCOUNTING RECORDS WERE NOT MAINTAINED IN AN ACCURATE AND TIMELY MANNER (PERTAINS TO ALL CFDA NUMBERS)

Criteria: During the fiscal year ended June 30, 2017 the Authority did not maintain its accounting records in a current and accurate manner. Due to the records not being maintained in a current and accurate manner, the Authority’s annual audit was not able to be completed, and the required electronic submissions to the U.S. Department of Housing and Urban Development’s Real Estate Assessment Center (REAC) and the Federal Audit Clearinghouse, were not able to be submitted by their required due dates.

Condition: The Authority’s required “audited” and “unaudited” submissions to REAC were not completed and submitted within the required due dates for their submission. The Authority’s audited submission to the Federal Audit Clearinghouse was also not completed and submitted prior to the required due date.

Cause: Management has indicated that the accounting records were not being prepared and maintained in a current and accurate manner primarily due to two reasons. The first reason management indicated was due to significant turnover in management and other key positions within its accounting department over the past several fiscal years. Management indicated the second reason was due to significant delays in the implementation of new financial software that was installed two fiscal years ago.

Questioned Costs – There were no questioned costs associated with this finding.

Recommendation: We recommend that the Authority perform a thorough assessment of its accounting department. This assessment should consist of a review of accounting department staff, including staffing levels, experience and qualifications. Additionally, the assessment should cover a review of the internal controls over the accounting and computer procedures, and a review of various other tasks and procedures performed in the accounting department, in order to determine why the accounting records are not being maintained on a current and accurate basis.

We also recommend that the Authority always maintain its accounting records in a timely and accurate manner in order for the Authority’s system of internal controls to operate and function as designed, and for all future audits and federally required submissions to be completed and submitted in a timely manner.

HOUSING AUTHORITY OF THE CITY OF RENO
AUDIT FINDING
JUNE 30, 2017
(Continued)

Finding Number 2017-001 Continued

Views of Responsible Officials and Planned Corrective Action: We, the Executive Director and Director of Administration, agree with the recommendation set forth above. We have already made great strides in rectifying the personnel and software-created issues mentioned above. In July 2017, we implemented the companion Financial Software component to the Tenant Management Software. Doing so has enabled us to better analyze programming errors made during the initial setup and systematically resolve them. We have filled the Senior Accountant role with a highly qualified individual and have added an additional degreed Accountant to assist with the ongoing reconciliations and maintenance of financial data. We presently are generating monthly financial statements from the newly implemented software that are accurate and timely and are operating within a small margin of budget. We have procured additional training for the software that enables each user to better understand and operate the system so that errors are kept to a minimum and have added an additional Intern to help ensure that all journal entries are posted timely and accurately. Additionally, we have retained the services of a software developer who is a subject matter expert for the software we presently utilize (Elite). She will build an FDS report that can be automatically generated from the software so that we are not dependent on manually adding and entering each line item individually into REAC in coming years.

We did actively reach out to our field office and the HUD Office in Washington D.C. to ask for an extension of time to submit our audited Financial Data into REAC. Our request for the audited submission was denied even though we had the full support of our Field Office. We are wholly committed to retaining the talent that we have recently hired and will work together as a team to ensure that all future reporting is made timely.