

**HOUSING AUTHORITY OF
THE CITY OF RENO
(RENO, NEVADA)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020



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**HOUSING AUTHORITY OF THE CITY OF RENO
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YEAR ENDED JUNE 30, 2020**

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INDEPENDENT AUDITORS' REPORT

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 and the discretely presented component unit of the Housing Authority of the City of Reno (the Authority), as of and for the year ended June 30, 2020, 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 auditors' 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 financial position of the business type activities and the discretely presented component unit of the Authority as of June 30, 2020, and the changes in financial position and 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 the Authority's Proportionate Share of the Net Pension Liability on page 39, the Schedule of the Authority's Pension Contributions on page 40, the Schedule of the Authority's Proportionate Share of the Net OPEB Liability on page 41 and the Schedule of the Authority's OPEB Contributions on page 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedules and the schedule of expenditures of federal awards, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The financial data schedules and the schedule of expenditures of federal awards 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 financial data schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Commissioners
Housing Authority of the City of Reno

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2021 on our consideration of the Authority'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 the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
April 7, 2021

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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, 2020.

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 \$50,659,654 at June 30, 2020.
- The total net position of the Authority increased from \$50,149,561 at June 30, 2019 to \$50,659,654 at June 30, 2020. The total unrestricted net position at June 30, 2020 is \$14,402,302. This amount may be used to meet the Authority's ongoing obligations.
- Total assets and deferred outflow of resources increased from \$61,325,067 at June 30, 2019 to \$63,217,144 at June 30, 2020, an increase of \$1,892,077.
- Net capital assets decreased from \$38,343,721 at June 30, 2019 to \$37,750,472 at June 30, 2020. This decrease of \$593,249 was the result of current year depreciation expense exceeding fiscal year 2020 additions.
- Total liabilities and deferred inflows of resources increased from \$11,175,506 at June 30, 2019 to \$12,557,490 at June 30, 2020, an increase of \$1,381,984.
- Revenues for fiscal year 2020 from all programs totaling \$55,526,530 consisted of federal grants and subsidies of \$47,125,882, and rental, interest, and other income of \$8,400,648. This represents an increase of \$4,642,626 in comparison to the total revenues of \$50,883,904 from fiscal year 2019.
- Total expenses for all programs for fiscal year 2020 were \$55,016,437. This represents an increase in expenses of \$3,531,840 from the total fiscal year 2019 expenses of \$51,484,597.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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 nonfinancial 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.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

The Authority's Programs

Moving-To-Work Program – Effective July 1, 2014 the Authority began administering the Moving-To-Work Demonstration Program (MTW). The MTW Program is a demonstration program recently implemented and funded by the U.S. Department of Housing and Urban Development (HUD). The MTW 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 MTW Program administered by the Authority during fiscal year 2020 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 nonlife 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 January 31, 2022.

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. The last of the contracts under this program expired in fiscal year 2020.

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.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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 Authority's Proportionate Share of Net OPEB Liability, the Schedule of the Authority's OPEB Contributions, 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 HUD 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 increased \$510,093 to \$50,659,654 in fiscal year 2020, from \$50,149,561 in fiscal year 2019.

**TABLE 1
Condensed Statements of Net Position
June 30,**

	2020	2019	Dollar Change	Total % Change
Assets and Deferred Outflows:				
Current Assets	\$ 23,481,292	\$ 20,842,091	\$ 2,639,201	12.7 %
Notes Receivable	692,000	767,000	(75,000)	(9.8)
Capital Assets	37,750,472	38,343,721	(593,249)	(1.5)
Deferred Outflows	1,293,380	1,372,255	(78,875)	(5.7)
Total Assets and Deferred Outflows	<u>63,217,144</u>	<u>61,325,067</u>	<u>1,892,077</u>	3.1
Liabilities and Deferred Inflows:				
Current Liabilities	3,186,535	2,248,364	938,171	41.7
Noncurrent Liabilities	8,690,149	8,680,311	9,838	0.1
Deferred Inflows	680,806	246,831	433,975	175.8
Total Liabilities and Deferred Inflows	<u>12,557,490</u>	<u>11,175,506</u>	<u>1,381,984</u>	12.4
Net Position:				
Net Investment in Capital Assets	36,257,352	37,089,919	(832,567)	(2.2)
Unrestricted Net Position	14,402,302	13,059,642	1,342,660	10.3
Total Net Position	<u>\$ 50,659,654</u>	<u>\$ 50,149,561</u>	<u>\$ 510,093</u>	1.0

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

The more significant changes to the components of the statement of net position are as follows:

- Current assets increased \$2,639,201, or 12.7%. The increase was due primarily to an increase in accounts receivable of \$2,274,904 driven by an increase in developer fees earned and funds due from Sutro Affordable, LLC.
- Notes receivable decreased \$75,000, or 9.8%. The decrease was due to forgiveness on homeownership notes. For more detail pertaining to the Authority's notes receivable please see Note 3 to the financial statements in this report.
- See table 3 for a breakout of the decrease in capital assets.
- Changes in deferred outflows and inflows were due to updated actuarial reports for the Authority's pension and other post-employment benefit plans.
- Current liabilities increased \$938,171 or 41.7%. The increase was primarily due to the timing of construction in progress invoices received after year end and an increase in unearned revenue in connection with COVID-19 funding received and not spent.

For more detailed information concerning the statement of net position for fiscal year 2020 see the statement of net position on page 12 of this report.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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
Statements of Revenues, Expenses, and
Changes in Net Position
Years Ended June 30,**

	2020	2019	Dollar Change	Total % Change
Revenues:				
Grants	\$ 47,125,882	\$ 42,831,485	\$ 4,294,397	10.0 %
Rental Income	6,948,842	6,739,803	209,039	3.1
Interest Income	144,940	201,068	(56,128)	(27.9)
Other Income	1,306,866	1,111,548	195,318	17.6
Total Revenues	<u>55,526,530</u>	<u>50,883,904</u>	<u>4,642,626</u>	9.1
Expenses:				
Administrative	6,510,609	5,520,383	990,226	17.9
Utilities	962,700	927,605	35,095	3.8
Maintenance	2,651,008	2,616,407	34,601	1.3
Tenant Services	204,117	252,955	(48,838)	(19.3)
Housing Assistance Payments	40,945,559	38,678,433	2,267,126	5.9
General	1,019,607	821,998	197,609	24.0
Interest Expense	30,839	42,956	(12,117)	(28.2)
Depreciation	2,691,998	2,623,860	68,138	2.6
Total Expenses	<u>55,016,437</u>	<u>51,484,597</u>	<u>3,531,840</u>	6.9
Increase (Decrease) in Net Position	<u>\$ 510,093</u>	<u>\$ (600,693)</u>	<u>\$ 1,110,786</u>	(184.9)

Current year revenue and expense activity remained relatively consistent during the fiscal year. The more significant changes were as follows:

- Grants increased \$4,294,397 or 10.0%, primarily due to an increase in the Housing Choice Voucher and Housing Assistance Payments program funding, consistent with the increase in housing assistance payments for the respective programs.
- Other income increased \$195,318 or 17.6%. The increase was primarily due to insurance proceeds received during the fiscal year.
- Administrative expenses increased \$990,226 or 17.9%. The increase was due a decrease in deferred outflows relating to the net pension liability and an overall increase in various administrative costs.
- Housing assistance payments increased \$2,267,126 or 5.9%. The increase was due to an increase in the payment standard in fiscal year 2020.

For more detail concerning the statement of revenues, expenses, and changes in net position for the fiscal year 2020, see the statement of revenues, expenses, and changes in net position on page 13 of this report.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Capital Assets and Debt Administration

Capital Assets

As of year-end, the Authority had \$37,750,472 of net capital assets as is reflected in the following Table 3, which represents a net decrease of \$593,249 from the 2019 fiscal year's ending balance.

TABLE 3

	2020	2019	Dollar Change	Total % Change
Land	\$ 8,628,748	\$ 8,523,052	\$ 105,696	1.2 %
Buildings	84,725,703	83,595,960	1,129,743	1.4
Furniture and Equipment	1,830,590	1,887,453	(56,863)	(3.0)
Construction in Progress	1,022,565	165,436	857,129	518.1
Less: Accumulated Depreciation	<u>(58,457,134)</u>	<u>(55,828,180)</u>	<u>(2,628,954)</u>	4.7
Net Capital Assets	<u>\$ 37,750,472</u>	<u>\$ 38,343,721</u>	<u>\$ (593,249)</u>	(1.5)

For more detail pertaining to the Authority's capital assets please see Note 4 to the financial statements in this report.

Debt Administration

As of year-end, the Authority had \$1,012,802 of long-term notes and bonds payable as is reflected in the following Table 4, which represents a net decrease of \$241,000 from the 2019 fiscal year's ending balance.

TABLE 4

	2020	2019	Dollar Change	Total % Change
Bonds Payable	\$ 502,500	\$ 743,500	\$ (241,000)	(32.4)%
Notes Payable	<u>510,302</u>	<u>510,302</u>	<u>-</u>	-
Total Bonds and Notes Payable	<u>\$ 1,012,802</u>	<u>\$ 1,253,802</u>	<u>\$ (241,000)</u>	(19.2)

For more detail pertaining to the Authority's bonds and notes payable, please see Note 6 to the financial statements in this report.

**HOUSING AUTHORITY OF THE CITY OF RENO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Economic Factors

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

- In March of 2020, the World Health Organization declared the spread of COVID-19 a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. The full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing. Although tenant collections may decrease in fiscal year 2021, we expect an increase in federal funding in connection with the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was signed into law on March 27, 2020.
- 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 December 2020 unemployment rate stood at 5.0%. This is below the national unemployment rate of 6.7%.
- 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 2021, the Authority does not anticipate significant reductions in federal grant funding for fiscal 2021 versus the funding received for its 2020 fiscal year. In addition to federal grant funding, the Authority has received a significant amount of CARES Act funding in FY21 to administer an emergency rental assistance program.
- Local property rental availability and rental rates 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 Washoe County's rental market has remained relatively low during FY21 at an average of 3.525%. The average rents in the Washoe County market have continued to increase compared to fiscal year 2020, with average rents at \$1,345. The construction and real estate sector continue to hold the higher percentage growth in Washoe County and statewide.

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. Amy Jones, Executive Director, 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
STATEMENTS OF NET POSITION
JUNE 30, 2020

ASSETS	<u>Enterprise Fund</u>	<u>Discrete Component Unit</u>
CURRENT ASSETS		
Cash and Investments - Unrestricted	\$ 18,854,379	\$ -
Cash and Investments - Restricted	473,667	849,451
Accounts Receivable - Other Governments	587,542	-
Accounts Receivable, Net	434,949	36,529
Due from Component Unit	2,823,551	-
Prepaid Expenses	<u>307,204</u>	<u>-</u>
Total Current Assets	23,481,292	885,980
NONCURRENT ASSETS		
Notes Receivable	692,000	-
Capital Assets, Net	<u>37,750,472</u>	<u>11,908,029</u>
Total Noncurrent Assets	<u>38,442,472</u>	<u>11,908,029</u>
Total Assets	61,923,764	12,794,009
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Related Outflows	260,674	-
Pension Related Outflows	<u>1,032,706</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>1,293,380</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	63,217,144	12,794,009
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	1,031,381	14,236
Due to Other Governments	329,112	-
Tenant Security Deposits	473,667	-
Accrued Payroll	116,372	-
Unearned Revenue	504,339	-
Accrued Interest Payable	25,542	68,637
Notes Payable - Current	260,631	-
Compensated Absences - Current	36,229	-
Other Current Liabilities	409,262	-
Due to Primary Government	<u>-</u>	<u>2,823,551</u>
Total Current Liabilities	3,186,535	2,906,424
NONCURRENT LIABILITIES		
Compensated Absences, Net of Current Portion	326,055	-
Notes Payable, Net of Current Portion	752,171	9,463,492
Net Pension Liability	6,457,140	-
Net OPEB Liability	997,235	-
Other Noncurrent Liabilities	<u>157,548</u>	<u>-</u>
Total Noncurrent Liabilities	<u>8,690,149</u>	<u>9,463,492</u>
Total Liabilities	11,876,684	12,369,916
DEFERRED INFLOWS OF RESOURCES - Pension		
	<u>680,806</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>12,557,490</u>	<u>12,369,916</u>
NET POSITION		
Net Investment in Capital Assets	36,257,352	2,361,664
Unrestricted	<u>14,402,302</u>	<u>(1,937,571)</u>
Total Net Position	<u>\$ 50,659,654</u>	<u>\$ 424,093</u>

See accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF THE CITY OF RENO
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2020**

	Enterprise Fund	Discrete Component Unit
OPERATING REVENUES		
HUD Operating Grants	\$ 45,677,566	\$ -
Rental Income	6,948,842	-
Other Revenue	1,306,866	-
Total Operating Revenues	53,933,274	-
OPERATING EXPENSES		
Administrative	6,510,609	7,153
Utilities	962,700	150
Maintenance	2,651,008	3,259
Tenant Services	204,117	-
General	1,019,607	3,609
Housing Assistance Payments	40,945,559	-
Depreciation	2,691,998	-
Total Operating Expenses	54,985,598	14,171
OPERATING LOSS	(1,052,324)	(14,171)
NONOPERATING REVENUES (EXPENSES)		
Interest Income	144,940	-
Interest Expense	(30,839)	-
Total Nonoperating Income	114,101	-
Capital Grants	1,448,316	-
CHANGE IN NET POSITION	510,093	(14,171)
Net Position - Beginning of Year	50,149,561	438,264
NET POSITION - END OF YEAR	\$ 50,659,654	\$ 424,093

See accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF THE CITY OF RENO
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020**

	<u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Grants	\$ 45,572,450
Cash Received from Rents	4,876,652
Other Cash Receipts	1,119,376
Cash Payments to Employees for Services	(5,855,571)
Cash Payments to Suppliers for Goods and Services	(4,137,959)
Cash Payments to Landlords	<u>(40,945,559)</u>
Net Cash Provided by Operating Activities	629,389
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(2,109,783)
Disposal of Capital Assets	11,034
Capital Grants Received	1,448,316
Principal Paid on Capital Debt	(241,000)
Interest Paid on Capital Debt	<u>(30,839)</u>
Net Cash Used by Capital and Related Financing Activities	(922,272)
CASH FLOWS FROM INVESTING ACTIVITIES	
Repayment of Notes Receivables	75,000
Interest Received	<u>144,940</u>
Net Cash Provided by Investing Activities	<u>219,940</u>
NET DECREASE IN CASH AND INVESTMENTS	(72,943)
Cash and Investments - Beginning of Year	<u>19,400,989</u>
CASH AND INVESTMENTS - END OF YEAR	<u><u>\$ 19,328,046</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	\$ (1,052,324)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	2,691,998
Provision for Bad Debts	127,005
(Increase) Decrease in:	
Accounts Receivable Other Governments	(277,969)
Accounts Receivable	(2,397,183)
Prepaid Expenses	(163,997)
Deferred Outflows/Inflows of Resources	512,850
Increase (Decrease) in:	
Accounts Payable and Accrued Liabilities	784,774
Due to Other Governments	(302,905)
Tenant Security Deposits	10,498
Compensated Absences	54,783
Unearned Revenue	475,758
Pension Liability	(39,967)
OPEB Liability	206,068
Net Cash Provided by Operating Activities	<u><u>\$ 629,389</u></u>

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Definition of Reporting Entity

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 four-year terms.

Although they are legally separate entities from the Authority, the Washoe Affordable Housing Corporation, Transitional Housing Corporation, and Sutro Management, LLC are reported as if they were part of the Authority because they are solely owned by the Authority and their sole purpose is to work in conjunction with the Authority to assist with the provision of housing for low and moderate income 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, the Transitional Housing Corporation, and Sutro Management, LLC are included in the accompanying financial statements as blended component units of the Authority. Sutro Management, LLC did not have any activity to be reported during the fiscal year.

Sutro Management, LLC is the .01% general partner of Sutro Affordable Housing, LLC. Sutro Affordable Housing, LLC's purpose is to develop, own and operate an apartment complex (Willie J. Wynn Apartments). The financial information of Sutro Affordable Housing, LLC is included in the accompanying financial statements as a discretely presented component unit of the Authority.

Effective July 1, 2013, the Authority began participating in HUD's Moving to Work (MTW) Demonstration Program. The MTW 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, and 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.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Definition of Reporting Entity (Continued)

At June 30, 2020, the Authority was administering the following programs which consisted of 7,256 units of low and moderate-income housing:

	<u>Number of Units</u>
Moving to Work Program:	
Housing Complexes:	
Mineral Manor	144
Tom Sawyer Village	100
Silverada Manor	149
Stead Manor	67
Hawk View Apartments	99
Essex Manor	105
Myra Birch Manor	53
John McGraw Court	34
Vouchers	<u>2,524</u>
Total Units Administered under the Moving to Work Program	3,275
Other Administered Programs:	
Veterans Affairs Special Vouchers	303
Special Allocations	3,174
Business Activities	341
Neighborhood Stabilization Programs I and II	128
Economic Development Initiative - Special Projects	11
Dollar Home Sales	<u>24</u>
Total Units Administered under Other Programs	<u>3,981</u>
Total Units Administered at June 30, 2020	<u><u>7,256</u></u>

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).

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Budgets and Budgetary Accounting

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

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position

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.

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.

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.

Prepaid Assets

Payments to vendors for goods and services that will benefit periods beyond the fiscal year-end are recorded as prepaid assets.

Capital Assets

Capital assets which include land, buildings, improvements, and furniture and equipment, are reported at historical costs. Contributed capital assets are recorded at acquisition 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.

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
Equipment	5 to 10 Years

Compensated Absences

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

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position (Continued)

Compensated Absences (Continued)

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 – 58 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.

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.

Net Position

Net position represents the differences between assets and deferred outflows and liabilities and deferred inflows. 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. It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

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.

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.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability for the plans, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined by an actuarial valuation conducted by the Authority and are accounted for in accordance with the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*.

NOTE 2 CASH AND INVESTMENTS

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.

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, 2020 are as follows:

Cash and Cash Equivalents	\$ 9,188,761
Money Market Mutual Funds	10,139,285
Total Cash and Investments	<u>\$ 19,328,046</u>

The \$10,139,285 of money market mutual funds are carried at amortized cost. Cash and cash equivalents are considered to be liquid assets for purposes of measuring cash flows.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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.

The \$9,188,761 of cash and cash equivalents consists of \$9,679,150 maintained on deposit in banks and \$961 of petty cash. Of the amounts deposited into bank checking and savings and money market accounts \$1,000,000 is covered by federal deposit insurance. As of June 30, 2020, all deposits were fully collateralized.

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>\$ 10,139,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,139,285</u>

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, 2020 for each Authority investment type is provided by Standard and Poor’s.

Discretely Presented Component Unit – Sutro Affordable Housing, LLC

The \$849,451 of cash and cash equivalents consists solely of funds maintained in a checking account with Wells Fargo, \$250,000 of which is covered by federal deposit insurance. The remaining \$599,451 was not collateralized.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 NOTES RECEIVABLE

The following is a summary of the Authority's changes in notes receivable for the fiscal year ended June 30, 2020:

	Balance 6/30/19	Disbursements	Receipts/ Forgiveness	Balance 6/30/2020
Homeownership Notes	\$ 366,000	\$ -	\$ (75,000)	\$ 291,000
Sutro Affordable Housing, LLC	401,000	-	-	401,000
Total Notes Receivable	<u>\$ 767,000</u>	<u>\$ -</u>	<u>\$ (75,000)</u>	<u>\$ 692,000</u>

The Authority issued 40 forgivable 0% interest homeownership loans from 2011 to 2015. The original loan amounts are \$15,000 per note and are forgivable at \$1,000 per annum. If the properties are sold in advance to the 15-year forgiveness period, the full unforgiven principal balance is collected. The outstanding balance on the homeownership notes at June 30, 2020 was \$291,000.

On April 15, 2019, the Authority issued a seller carry-back note to Sutro Affordable Housing, LLC in the principal amount of \$401,000. The outstanding principal balance of the note bears interest from the date of disbursement at 2.89% compounded annually. Commencing on June 1, 2021, and on June 1 of each year thereafter, repayments of the outstanding principal balance and accrued interest on the note are due in an amount equal to 33.33% of cash flow, first to accrued interest and second to principal. The outstanding balance on the note at June 30, 2020 was \$401,000.

NOTE 4 CAPITAL ASSETS

Enterprise Fund

The following is a summary of the Authority's changes in capital assets for the fiscal year ended June 30, 2020:

	Balance 6/30/19	Additions	Deletions	Transfers	Balance 6/30/2020
Land	\$ 8,523,052	\$ 105,696	\$ -	\$ -	\$ 8,628,748
Buildings and Improvements	83,595,960	952,729	(10,691)	187,705	84,725,703
Equipment	1,887,453	167,682	(63,387)	(161,158)	1,830,590
Construction in Progress	165,436	883,676	-	(26,547)	1,022,565
	<u>94,171,901</u>	<u>2,109,783</u>	<u>(74,078)</u>	<u>-</u>	<u>96,207,606</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(55,190,421)	(2,526,617)	10,691	472,024	(57,234,323)
Equipment	(637,759)	(165,381)	52,353	(472,024)	(1,222,811)
Total Accumulated Depreciation	<u>(55,828,180)</u>	<u>(2,691,998)</u>	<u>63,044</u>	<u>-</u>	<u>(58,457,134)</u>
Capital Assets, Net	<u>\$ 38,343,721</u>	<u>\$ (582,215)</u>	<u>\$ (11,034)</u>	<u>\$ -</u>	<u>\$ 37,750,472</u>

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Unit – Sutro Affordable Housing, LLC

The following is a summary of Sutro Affordable Housing, LLC's changes in capital assets for the fiscal year ended June 30, 2020:

	Balance 6/30/19	Additions	Deletions	Balance 6/30/2020
Land	\$ 800,000	\$ -	\$ -	\$ 800,000
Construction in Progress	2,257,375	8,850,654	-	11,108,029
Capital Assets, Net	<u>\$ 3,057,375</u>	<u>\$ 8,850,654</u>	<u>\$ -</u>	<u>\$ 11,908,029</u>

NOTE 5 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	Balance 6/30/19	Additions	Deletions	Balance 6/30/20	Current Portion
Revenue Refunding Bonds	\$ 743,500	\$ -	\$ (241,000)	\$ 502,500	\$ 253,500
Notes from Direct Borrowings	510,302	-	-	510,302	7,131
Compensated Absences	307,501	194,197	(139,414)	362,284	36,229
Total	<u>\$ 1,561,303</u>	<u>\$ 194,197</u>	<u>\$ (380,414)</u>	<u>\$ 1,375,086</u>	<u>\$ 296,860</u>

NOTE 6 LONG-TERM DEBT

Enterprise Fund

Refunding bonds debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Required Payments</u>
2021	\$ 253,500	\$ 18,600	\$ 272,100
2022	249,000	6,163	255,163
Total	<u>\$ 502,500</u>	<u>\$ 24,763</u>	<u>\$ 527,263</u>

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, 2020 was \$502,500.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Notes from direct borrowings debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Required Payments</u>
2021	\$ 7,131	\$ 5,700	\$ 12,831
2022	7,792	5,473	13,265
2023	8,026	5,239	13,265
2024	8,266	4,999	13,265
2025	8,514	4,751	13,265
2026-2030	80,815	25,510	106,325
2031-2035	98,630	17,695	116,325
2036-2040	266,948	40,779	307,727
2041-2045	24,180	579	24,759
Total	<u>\$ 510,302</u>	<u>\$ 110,725</u>	<u>\$ 621,027</u>

Notes from direct borrowings at June 30, 2020 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 accrues 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. There is no annual required payment of interest or principal. The outstanding balance at June 30, 2020 was \$162,893.

Note payable to the City of Reno-Washoe County Home Consortium, due April 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 as of May 1, 2026 with required annual principal and interest payments of \$10,000 beginning May 1, 2027. The balance outstanding on the loan at June 30, 2020 was \$150,000.

Note payable to the City of Reno-Washoe County Home Consortium, due April 1, 2033, secured by a junior deed of trust on real property located at 7900 Golden Valley Road, Reno, Nevada. Interest accrues on the note at a rate of 8.6% on the first \$200,000 and 3.0% on the remaining \$60,000 per annum. Required annual principal and interest payments are \$9,300. The balance outstanding on the loan at June 30, 2020 was \$197,409.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Discretely Presented Component Unit – Sutro Affordable Housing, LLC

The following is a summary of changes in Sutro Affordable Housing, LLC's long-term debt from direct borrowings for the year ended June 30, 2020:

	Balance 6/30/19	Additions	Deletions	Balance 6/30/20	Current Portion
Direct Borrowings:					
HOME Loan	\$ 990,000	\$ 250	\$ -	\$ 990,250	\$ -
City LIHTF Loan	400,000	-	-	400,000	-
Authority Seller Carryback Note	401,000	-	-	401,000	-
AHP Note	-	440,000	-	440,000	-
Wells Fargo Construction Loan	367,110	6,865,132	-	7,232,242	-
Total	<u>\$ 2,158,110</u>	<u>\$ 7,305,382</u>	<u>\$ -</u>	<u>\$ 9,463,492</u>	<u>\$ -</u>

Notes from direct borrowings at June 30, 2020 consist of the following:

The HOME loan was issued on April 15, 2019 by the Washoe County HOME Consortium in the amount of \$990,000. The loan is secured by a Deed of Trust. Simple interest shall accrue on the unpaid principal balance at a rate of 3%. Commencing on June 1, 2021, and on June 1 of each year thereafter, repayments of the outstanding principal balance and accrued interest on the note are due in an amount equal to 33.33% of cash flow, first to accrued interest and second to principal. The entire unpaid balance of principal and interest is due and payable on June 1, 2049. The outstanding balance on the note at June 30, 2020 was \$990,250.

The City Low Income Housing Trust Fund (LIHTF) loan was issued on April 15, 2019 by the Nevada Housing Division in the amount of \$400,000. The loan is secured by a Deed of Trust. Simple interest shall accrue on the unpaid principal balance at a rate of 3%. Commencing on June 1, 2021, and on June 1 of each year thereafter, repayments of the outstanding principal balance and accrued interest on the note are due in an amount equal to 33.33% of cash flow, first to accrued interest and second to principal. The outstanding balance on the note at June 30, 2020 was \$400,000.

The Authority seller carryback note was issued on April 15, 2019 by the Authority in the amount of \$401,000. The note is secured by a Subordinated Deed of Trust. The outstanding principal balance of the note bears interest from the date of disbursement at 2.89% compounded annually. Commencing on June 1, 2021, and on June 1 of each year thereafter, repayments of the outstanding principal balance and accrued interest on the note are due in an amount equal to 33.33% of cash flow, first to accrued interest and second to principal. The outstanding balance on the note at June 30, 2020 was \$401,000.

The Affordable Housing Program (AHP) Note was issued on April 15, 2019 by Wells Fargo National Bank in the amount of \$440,000. The note was drawn in August of 2019. The loan is secured by a Deed of Trust. The Note shall bear interest at 3% per annum. The entire unpaid balance of principal and interest is due and payable on April 15, 2049. The outstanding balance on the note at June 30, 2020 was \$440,000.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 LONG-TERM DEBT (CONTINUED)

The Wells Fargo Construction loan is a drawdown loan that was issued on April 15, 2019 by Wells Fargo National Bank in the amount of \$9,500,000. The loan is secured by a Deed of Trust. Interest accrued on this Note shall be due and payable on the 1st business day of each month commencing with the first month after the date of the note. Interest shall accrue on the unpaid principal balance at the effective rate as defined in the underlying agreement. The entire unpaid balance of principal and interest is due and payable on April 15, 2021. The outstanding balance on the note at June 30, 2020 was \$7,232,242.

NOTE 7 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 \$362,284 has been valued and recorded by the Authority as of June 30, 2020.

NOTE 8 EMPLOYEES RETIREMENT PLAN

General Information about the Pension Plan

Plan Descriptions – Public Employee Retirement System of Nevada (PERS) administers a cost-sharing, multiple-employer, defined benefit public employees' 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.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 EMPLOYEES RETIREMENT PLAN (CONTINUED)

Benefits Provided – (Continued)

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.

The Plan’s provisions and benefits in effect at June 30, 2020 are summarized as follows:

	Miscellaneous Plans	
	Prior to January 1, 2010	On or After January 1, 2010
Hire Date	2.67% @ 65	2.5% at 65
Benefit Formula	5 Years of Service	5 Years of Service
Benefit Vesting Formula	Monthly for Life	Monthly for Life
Benefit Payments	65	65
Retirement Age	2.5% to 2.67%	2.5%
Monthly Benefits, as a Percent of Eligible Compensation	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.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 EMPLOYEES RETIREMENT PLAN (CONTINUED)

Contributions – (Continued)

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, 2019 and June 30, 2020, the regular employer-pay contribution (EPC) rate was 28%.

The Authority's contractually required contributions to the plan were \$971,463 for the period ended June 30, 2020. Employer contributions were \$485,731 for the period ended June 30, 2020.

Net Pension Liability - The net pension liability (NPL) was measured as of June 30, 2019, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The NPL of \$6,457,140 is measured as a proportionate share of the NPL of \$13,635,963,390 (or .04735%).

The employer allocation percentage of the NPL was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the NPL is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2019.

Deferred inflows/outflows – For the year ended June 30, 2020, the Authority recognized a pension expense of \$645,247. At June 30, 2020, 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	\$ 485,731	\$ -
Differences Between Actual and Expected Experience	242,135	186,248
Changes in Assumptions	262,779	-
Net Differences Between Projected and Actual		
Earnings on Pension Plan Investments	-	321,219
Adjustment Due to Differences in Proportions	42,061	173,339
Total	<u>\$ 1,032,706</u>	<u>\$ 680,806</u>

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 EMPLOYEES RETIREMENT PLAN (CONTINUED)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Of the \$1,032,706 reported as deferred outflows of resources, \$485,731 related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ended June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2021	\$ 953,181
2022	(6,422,067)
2023	1,764,300
2024	2,185,549
2025	1,242,078
2026	143,128

Actuarial Methods and Assumptions Used to Determine Total Pension Liability – The System’s net pension liability was measured as of June 30, 2019, 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	7.50%
Inflation Rate	2.75%
Payroll Growth	5.00%, including inflation
Productivity Pay Increases	0.50%
Projected Salary Increases	4.25% to 9.15%, for regular members, varying by service, including inflation and productivity Increases
Other Assumptions	Same as those used in the June 30, 2019 funding actuarial valuation

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the experience study for the period July 1, 2012 to June 30, 2016.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan’s current funding policy and cost-sharing mechanism between employers and members. 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, 2019.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 EMPLOYEES RETIREMENT PLAN (CONTINUED)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The following was the System's board adopted policy target asset allocation as of June 30, 2019:

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return*</u>
U.S. stocks	42.0%	5.50%
International stocks	18.0%	5.50%
U.S. bonds	28.0%	0.75%
Private markets	12.0%	6.65%
Total	<u>100.0%</u>	

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

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, calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	<u>Discount Rate – 1% (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>Discount Rate +1% (8.50%)</u>
Plan's Pension Liability	\$ 9,997,308	\$ 6,457,140	\$ 3,513,426

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.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Information

Eligible retirees may receive coverage through the Public Employee Benefit Program (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 Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701 or by calling (775) 684-7000.

Benefits Provided

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 based on years of service and medical plan elected.

Employees Covered by Benefit Terms

As of July 1, 2019, the date of the latest actuarial valuation, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	37
Active Plan Members	65
Total Plan Members	<u>102</u>

Contributions

The contribution requirements of plan members and the Authority are established and may be amended through Authority ordinances. The Authority contributed \$0 beyond the pay-as-you-go cost for the period ending on the June 30, 2020 measurement date. For the year ending on the June 30, 2020 measurement date, total Authority premiums plus implicit costs for the retiree medical program were \$63,505.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Liability

The Authority's OPEB liability of \$997,235 was measured as of June 30, 2020, and the total OPEB liability used to calculate the new OPEB liability was determined by an actuarial valuation as of July 1, 2019.

Changes in Net OPEB Liability			
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance for June 30, 2019	\$ 791,167	\$ -	\$ 791,167
Service Cost	6,281	-	6,281
Interest	26,809	-	26,809
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	138,343	-	138,343
Changes in Assumptions	98,140	-	98,140
Employer Contributions to Trust	-	63,505	63,505
Benefit Payments Withdrawn from Trust	-	(63,505)	(63,505)
Benefit Payments	(63,505)	-	(63,505)
Net Changes in OPEB Liability	206,068	-	206,068
Total OPEB Liability - End of Period	\$ 997,235	\$ -	\$ 997,235

Actuarial Assumptions

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:	
Valuation Date	July 1, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset-Valuation Method	Market Value of Assets at the Measurement Date
Investment Rate of Return	N/A
Discount Rate	2.75% net of OPEB plan investment expense, including inflation
Municipal Bond Rate	2.66% as of June 30, 2020 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)
Single Equivalent Discount Rate	2.75%, net of OPEB plan investment expense, including inflation
Inflation	2.50% as of June 30, 2020 and for future periods
Salary Increases	3.00% annually as of June 30, 2020 and for future periods
Cost of Living Adjustment	N/A
Pre-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females
Post-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females
Disabled Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year

The actuarial assumptions used to calculate the actuarial accrued liability and the service cost primarily reflect the latest experience studies of a large State Municipal Retirement System issued in 2014 and their most recent analysis of retiree mortality during 2015 and 2016.

The Authority has not established a formal Investment Policy. There are no assets in a trust and this is a pay-as-you-go plan.

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the Authority's OPEB liability to changes in the discount rate

The following presents the Authority's OPEB liability calculated using the discount rate of 2.75%, as well as what the Authority's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current discount rate:

	1% Decrease (1.75)%	Current Discount (2.75)%	1% Increase (3.75)%
Total OPEB Liability	\$ 1,116,035	\$ 997,235	\$ 903,056

Sensitivity of the Authority's OPEB liability to changes in the healthcare cost trend rates

The following presents the Authority's OPEB liability as well as what the Authority's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Discount	1% Increase
Total OPEB Liability	\$ 896,932	\$ 997,235	\$ 1,116,642

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Authority recognized an OPEB expense of \$87,533. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 177,940	\$ -
Changes of Assumptions	82,734	-
Total	<u>\$ 260,674</u>	<u>\$ -</u>

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ 54,443
2022	54,443
2023	54,443
2024	46,477
2025	37,123
Thereafter	13,745

NOTE 10 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

	<u>Washoe Affordable Housing Corporation</u>	<u>Transitional Housing Corporation</u>	<u>Blended Component Unit Total</u>	<u>Total Primary Government</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS						
Cash and Investments	\$ 3,641,834	\$ 235,446	\$ 3,877,280	\$ 15,450,766	\$ -	\$ 19,328,046
Other Current Assets	24,158	-	24,158	1,305,537	-	1,329,695
Noncurrent Assets	-	-	-	692,000	-	692,000
Capital Assets	25,972	-	25,972	37,724,500	-	37,750,472
Interprogram Due From	227,950	(227,950)	-	6,644,906	(6,644,906)	-
Deferred Outflows	-	-	-	1,293,380	-	1,293,380
Total Assets and Deferred Outflows	<u>\$ 3,919,914</u>	<u>\$ 7,496</u>	<u>\$ 3,927,410</u>	<u>\$ 63,111,089</u>	<u>\$ (6,644,906)</u>	<u>\$ 60,393,593</u>
LIABILITIES						
Current Liabilities	23,338	-	23,338	3,163,197	-	3,186,535
Noncurrent Liabilities	-	-	-	8,690,149	-	8,690,149
Interprogram Due To	899,357	-	899,357	5,745,549	(6,644,906)	-
Deferred Inflows	-	-	-	680,806	-	680,806
Total Liabilities and Deferred Inflows	<u>922,695</u>	<u>-</u>	<u>922,695</u>	<u>18,279,701</u>	<u>(6,644,906)</u>	<u>12,557,490</u>
NET POSITION						
Net Investment in Capital Assets	25,972	-	25,972	36,231,380	-	36,257,352
Unrestricted	<u>2,971,247</u>	<u>7,496</u>	<u>2,978,743</u>	<u>11,423,559</u>	<u>-</u>	<u>14,402,302</u>
Total Net Position	<u>2,997,219</u>	<u>7,496</u>	<u>3,004,715</u>	<u>47,654,939</u>	<u>-</u>	<u>50,659,654</u>
Total Liabilities and Net Position	<u>\$ 3,919,914</u>	<u>\$ 7,496</u>	<u>\$ 3,927,410</u>	<u>\$ 65,934,640</u>	<u>\$ (6,644,906)</u>	<u>\$ 63,217,144</u>

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

**NOTE 10 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS
(CONTINUED)**

	Washoe Affordable Housing Corporation	Transitional Housing Corporation	Blended Component Unit Total	Total Primary Government	Eliminations	Total
OPERATING REVENUES						
HUD Operating Grants	\$ -	\$ -	\$ -	\$ 45,677,566	\$ -	\$ 45,677,566
Rental Income	-	-	-	6,948,842	-	6,948,842
Other Revenue	24,610,127	-	24,610,127	3,168,719	(26,471,980)	1,306,866
Total Operating Revenue	24,610,127	-	24,610,127	55,795,127	(26,471,980)	53,933,274
OPERATING EXPENSES						
Administrative	624,482	250	624,732	7,844,016	(1,958,139)	6,510,609
Utilities	4,427	-	4,427	958,273	-	962,700
Maintenance	17,184	-	17,184	2,633,824	-	2,651,008
Tenant Services	-	-	-	204,117	-	204,117
General Expenses	3,504	-	3,504	25,529,944	(24,513,841)	1,019,607
Housing Assistance Payments	23,698,319	-	23,698,319	17,247,240	-	40,945,559
Depreciation	4,884	-	4,884	2,687,114	-	2,691,998
Total Operating Expenses	24,352,800	250	24,353,050	57,104,528	(26,471,980)	54,985,598
Operating Income (Loss)	257,327	(250)	257,077	(1,309,401)	-	(1,052,324)
Total Nonoperating Revenues/(Expenses)	14,214	3,340	17,554	96,547	-	114,101
Income (Loss) Before Capital Grants	271,541	3,090	274,631	(1,212,854)	-	(938,223)
Capital Grants	-	-	-	1,448,316	-	1,448,316
CHANGE IN NET POSITION	271,541	3,090	274,631	235,462	-	510,093
Total Net Position - Beginning of Year	2,725,678	4,406	2,730,084	47,419,477	-	50,149,561
TOTAL NET POSITION - END OF YEAR	<u>\$ 2,997,219</u>	<u>\$ 7,496</u>	<u>\$ 3,004,715</u>	<u>\$ 47,654,939</u>	<u>\$ -</u>	<u>\$ 50,659,654</u>

**HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

**NOTE 10 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS
(CONTINUED)**

	Washoe Affordable Housing Corporation	Transitional Housing Corporation	Blended Component Unit Total	Total Primary Government	Eliminations	Total
Net Cash Provided (Used) by:						
Operating Activities	\$ 613,982	\$ -	\$ 613,982	\$ 15,407	\$ -	\$ 629,389
Capital and Related Financing Activities	-	-	-	(922,272)	-	(922,272)
Investing Activities	14,214	3,340	17,554	202,386	-	219,940
Net Increase/ (Decrease) in Cash and Cash Equivalents	628,196	3,340	631,536	(704,479)	-	(72,943)
Cash and Cash Equivalents - Beginning of Year	3,013,638	232,106	3,245,744	16,155,245	-	19,400,989
Cash and Cash Equivalents - End of Year	<u>\$ 3,641,834</u>	<u>\$ 235,446</u>	<u>\$ 3,877,280</u>	<u>\$ 15,450,766</u>	<u>\$ -</u>	<u>\$ 19,328,046</u>

NOTE 11 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. The relationship between the Authority and HARRP is such that HARRP is not a component unit of the Authority for financial reporting purposes.

The Authority is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. Settlements have not exceeded insurance coverage in each of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior fiscal year.

NOTE 12 CONTINGENT LIABILITIES

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.

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12 CONTINGENT LIABILITIES (CONTINUED)

Pending Legal Matters

As of April 7, 2021, the date that the financial statements were available to be issued, the Authority had outstanding litigation cases that had not yet been resolved. The Authority has assessed the likelihood of such cases resulting in monetary settlement to be minimal and as such has not recorded an associated liability as fiscal year-end.

NOTE 13 SUBSEQUENT EVENTS

Management evaluated all activity of the Authority through April 7, 2021, 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.

NOTE 14 PENDING GASB PRONOUNCEMENTS

GASB routinely issues standards that will become effective in future years. GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, was issued in May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective was accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. RHA is evaluating the potential impacts of the following postponed GASB statements on its accounting practices and financial statements:

- GASB Statement No. 87, *Leases*, postponed 18 months.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, postponed 12 months.
- GASB Statement No. 91, *Conduit Debt Obligations*, postponed 12 months.

REQUIRED SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2020**

Last 10 Years*

Measurement Date Year Ended	Authority's Proportion of Net Pension Liability	Authority's Proportion Share of Net Pension Liability	Authority Covered Payroll	Authority's Proportion Share of Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the total Pension Liability
June 30, 2015	0.049868%	\$ 5,714,641	\$ 2,853,604	200%	75.1%
June 30, 2016	0.048670%	\$ 6,549,310	\$ 2,948,118	222%	72.2%
June 30, 2017	0.048180%	\$ 6,407,288	\$ 2,943,630	218%	74.4%
June 30, 2018	0.047640%	\$ 6,497,107	\$ 3,158,514	206%	75.2%
June 30, 2019	0.047350%	\$ 6,457,140	\$ 3,251,213	199%	76.5%

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

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2020**

Last 10 Years*

Fiscal Year Ended	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered - Payroll	Contributions as a Percentage of Covered - Payroll
June 30, 2015	\$ 367,402	\$ (367,402)	\$ -	\$ 2,853,604	25.8%
June 30, 2016	\$ 412,737	\$ (412,737)	\$ -	\$ 2,948,118	28.1%
June 30, 2017	\$ 398,113	\$ (466,731)	\$ (68,618)	\$ 2,943,630	29.4%
June 30, 2018	\$ 441,894	\$ (441,894)	\$ -	\$ 3,158,514	14.0%
June 30, 2019	\$ 455,857	\$ (455,857)	\$ -	\$ 3,251,213	14.0%
June 30, 2020	\$ 485,731	\$ (485,731)	\$ -	\$ 3,337,524	14.6%

Valuation Date

July 1, 2019

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method

Individual Entry Age Normal

Amortization Method

Level Percentage of Payroll

Asset Valuation Method

Market value of assets less unrecognized returns in each of the last five years.

Inflation

2.75%

Payroll Growth

5.50% Including Inflation

Salary Increase

3.00% annually as of June 30, 2020 and for future periods

Investment Rate of Return

N/A

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

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2020**

Last 10 Years*

Valuation Date	July 1, 2019	July 1, 2017	July 1, 2017
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018
For the Reporting Period and Fiscal Year Ending on:	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Service Cost	\$ 6,281	\$ 15,551	\$ 13,829
Interest	26,809	27,584	23,976
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	138,343	-	113,274
Changes in Assumptions	98,140	-	-
Benefit Payments	<u>(63,505)</u>	<u>(48,647)</u>	<u>(50,739)</u>
Net Changes in OPEB Liability	<u>206,068</u>	<u>(5,512)</u>	<u>100,340</u>
Total OPEB Liability - Beginning of Period	791,167	796,679	663,411
Prior Period Adjustment	-	-	32,928
Total OPEB Liability - End of Period	<u>\$ 997,235</u>	<u>\$ 791,167</u>	<u>\$ 796,679</u>
Covered Employee Payroll	3,337,524	3,687,965	3,580,549
Plan NOL as % of Covered Employee Payroll	29.88%	21.45%	22.25%

*Information prior to fiscal year 2018 was not available. The Authority will accumulate each year until ten years of data becomes available.

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS
YEAR ENDED JUNE 30, 2020**

	Last 10 Years*		
	June 30,2020	June 30,2019	June 30,2018
Service Cost	\$ 6,281	\$ 15,551	\$ 13,829
30 Year Level Dollar Amortization of NOL	47,930	23,999	27,259
Actuarial Determined Contribution	54,211	39,550	41,088
Contributions in Relation to the Actuarially Determined Contribution	(63,505)	(39,550)	(41,088)
Contribution Deficiency	<u>\$ (9,294)</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered Employee Payroll	 \$ 3,337,524	 \$ 3,687,965	 \$ 3,580,549
 Contribution as a % of Covered Employee Payroll	 1.90%	 1.07%	 1.15%
 Discount Rate	 2.75%	 3.50%	 3.50%

*Information prior to fiscal year 2018 was not available. The Authority will accumulate each year until ten years of data becomes available.

OTHER SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

<u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>Department of Housing and Urban Development (HUD)</u>		
Direct Programs:		
Section 8 Project Based Cluster:		
Section 8 Housing Assistance Payments Program	14.195	\$ 24,513,841
Section 8 Rental Moderate Rehabilitation Program – SRO	14.249	62,336
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	<u>10,504</u>
Total Section 8 Project-Based Cluster		<u>24,586,681</u>
Resident Opportunities Supportive Services	14.870	109,616
Moving to Work Demonstration (MTW) Program:	14.881	
MTW Demonstration Program for Low Rent	14.OPS	1,316,451
MTW Demonstration Program for Capital Fund	14.CFP	1,677,780
MTW Demonstration Program for HCV Program	14.HCV	19,415,856
COVID-19 HCV Cares Act Funding	14.HCC	<u>1,030</u>
Total Moving to Work Demonstration (MTW) Program		<u>22,411,117</u>
Total Federal Expenditures, all U.S. Department of Housing and Urban Development		<u><u>\$ 47,107,414</u></u>

HOUSING AUTHORITY OF THE CITY OF RENO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Housing Authority of the City of Reno (the Authority) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

The Authority has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 SUBRECIPIENTS

The Authority did not pass-through any federal awards to subrecipients. The Authority was not a recipient of any amount of federal awards passed through from other entities for the year ended June 30, 2020. See the accompanying schedule.

NOTE 5 NONCASH FEDERAL ASSISTANCE

The Authority did not receive any noncash Federal assistance for the year ended June 30, 2020.

**HOUSING AUTHORITY OF THE CITY OF RENO
FINANCIAL DATA SCHEDULE
YEAR ENDED JUNE 30, 2020**

Line Item #	Accounts Description	Project Total	MTW - Low Rent	MTW - HCV	MTW - CFP	MTW - Demonstration Program	MTW- Cares	HCV- Cares	Section 8 Housing Assistance Payments	Section 8 MOD-SRO	Section 8 Moderate Rehabilitation	Shelter Plus Care
CURRENT ASSETS												
Cash:												
111	Unrestricted	\$ 1,610,862	\$ -	\$ -	\$ -	\$ 1,649,719	\$ -	\$ -	\$ -	\$ 122,654	\$ 43,261	\$ 16,710
112	Restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-
113	Other restricted	-	-	-	-	-	-	-	-	-	-	-
114	Tenant security deposits	221,519	-	-	-	-	-	-	-	-	-	-
100	Total cash	1,832,381	-	-	-	1,649,719	-	-	-	122,654	43,261	16,710
Accounts and notes receivable:												
121	PHA Projects	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	572,868	-	-	-	-	-	-	-	729	-	-
124	Other government	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	58,656	-	-	-	19,768	-	-	-	-	-	-
126	Tenants	59,191	-	-	-	258,068	-	-	-	47,589	-	570
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	(108,389)	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-
127	Notes, loans, and mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for uncollectibles	690,715	-	-	-	169,447	-	-	-	48,318	-	570
131	Investments - unrestricted	852,235	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	1,837	-	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-	-	-	-	-
144	Inter-program - due from	146,118	-	-	-	-	-	425,242	-	-	-	-
150	Total current assets	3,521,449	-	-	-	1,821,003	-	425,242	-	170,972	43,261	17,280
NONCURRENT ASSETS												
Fixed assets:												
161	Land	2,273,745	-	-	-	105,696	-	-	-	-	-	-
162	Buildings	51,369,374	-	-	-	49,195	-	-	-	-	-	-
163	Furniture, equipment and mach - dwellings	654,222	-	-	-	17,274	-	-	-	-	-	-
165	Leasehold Improvements	106,638	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment and mach - admin.	574,473	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(44,103,396)	-	-	-	(32,960)	-	-	-	-	-	-
167	Construction in progress	1,022,565	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	11,897,621	-	-	-	139,205	-	-	-	-	-	-
171	Notes, loans and mortgages receivable -noncurrent	-	-	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-	-
176	Investments in Joint Ventures	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	11,897,621	-	-	-	139,205	-	-	-	-	-	-
200	Deferred Outflow of Resources	385,524	-	-	-	404,676	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED												
290	OUTFLOWS OF RESOURCES	\$ 15,804,594	\$ -	\$ -	\$ -	\$ 2,364,884	\$ -	\$ 425,242	\$ -	\$ 170,972	\$ 43,261	\$ 17,280

**HOUSING AUTHORITY OF THE CITY OF RENO
FINANCIAL DATA SCHEDULE
YEAR ENDED JUNE 30, 2020**

Line Item #	ACCOUNT DESCRIPTION	Neighborhood Stabilization Program	Housing Investment Partnerships	Dollar Home Sales	Resident Opportunity and Supportive Services	Business Activities	Blended Component Unit	COCC	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
CURRENT ASSETS												
Cash:												
111	Unrestricted	\$ 855,104	\$ 404,109	\$ 796	\$ 240,666	\$ 1,112,360	\$ 2,648,365	\$ 10,488	\$ -	\$ 8,715,094	\$ -	\$ 8,715,094
112	Restricted - modernization and development	-	-	-	-	-	-	-	-	-	849,451	849,451
113	Other restricted	-	-	-	-	-	-	-	-	-	-	-
114	Tenant security deposits	99,167	8,690	18,605	-	125,686	-	-	-	473,667	-	473,667
100	Total cash	954,271	412,799	19,401	240,666	1,238,046	2,648,365	10,488	-	9,188,761	849,451	10,038,212
Accounts and notes receivable:												
121	PHA Projects	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	-	-	-	10,284	-	3,661	-	-	587,542	-	587,542
124	Other government	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	700	-	-	-	2,841,617	-	2,762	-	2,923,503	36,529	2,960,032
126	Tenants	10,330	838	341	-	60,889	-	5,570	-	443,386	-	443,386
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	-	-	(108,389)	-	(108,389)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-
127	Notes, loans, and mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for uncollectibles	11,030	838	341	10,284	2,902,506	3,661	8,332	-	3,846,042	36,529	3,882,571
131	Investments - unrestricted	2,782,424	-	-	-	4,362,191	1,228,915	913,520	-	10,139,285	-	10,139,285
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	14,850	-	10,659	-	4,971	20,497	254,390	-	307,204	-	307,204
143	Inventories	-	-	-	-	-	-	-	-	-	-	-
144	Inter-program - due from	1,580,409	97,296	-	-	3,878,519	-	517,322	(6,644,906)	-	-	-
150	Total current assets	5,342,984	510,933	30,401	250,950	12,386,233	3,901,438	1,704,052	(6,644,906)	23,481,292	885,980	24,367,272
NONCURRENT ASSETS												
Fixed assets:												
161	Land	2,901,945	143,190	322,400	-	2,881,772	-	-	-	8,628,748	800,000	9,428,748
162	Buildings	13,482,765	1,383,895	1,851,405	-	15,243,991	35,172	943,842	-	84,359,639	-	84,359,639
163	Furniture, equipment and mach - dwellings	51,096	-	-	-	118,676	-	131,207	-	972,475	-	972,475
165	Leasehold Improvements	97,480	24,228	25,755	-	111,963	-	-	-	366,064	-	366,064
164	Furniture, equipment and mach - admin.	2,711	-	-	-	-	62,761	218,170	-	858,115	-	858,115
166	Accumulated depreciation	(3,616,784)	(408,500)	(491,687)	-	(8,598,862)	(71,961)	(1,132,984)	-	(58,457,134)	-	(58,457,134)
167	Construction in progress	-	-	-	-	-	-	-	-	1,022,565	11,108,029	12,130,594
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	12,919,213	1,142,813	1,707,873	-	9,757,540	25,972	160,235	-	37,750,472	11,908,029	49,658,501
171	Notes, loans and mortgages receivable -noncurrent	291,000	-	-	-	401,000	-	-	-	692,000	-	692,000
174	Other assets	-	-	-	-	-	-	-	-	-	-	-
176	Investments in Joint Ventures	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	13,210,213	1,142,813	1,707,873	-	10,158,540	25,972	160,235	-	38,442,472	11,908,029	50,350,501
200	Deferred Outflow of Resources	51,281	3,533	3,172	-	126,590	-	318,604	-	1,293,380	-	1,293,380
TOTAL ASSETS AND DEFERRED												
290	OUTFLOWS OF RESOURCES	\$ 18,604,478	\$ 1,657,279	\$ 1,741,446	\$ 250,950	\$ 22,671,363	\$ 3,927,410	\$ 2,182,891	\$ (6,644,906)	\$ 63,217,144	\$ 12,794,009	\$ 76,011,153

**HOUSING AUTHORITY OF THE CITY OF RENO
FINANCIAL DATA SCHEDULE
YEAR ENDED JUNE 30, 2020**

Line Item #	Accounts Description	Project Total	MTW - Low Rent	MTW - HCV	MTW - CFP	MTW - Demonstration Program	MTW-Cares	HCV-Cares	Section 8 Housing Assistance Payments	Section 8 MOD-SRO	Section 8 Moderate Rehabilitation	Shelter Plus Care
CURRENT LIABILITIES												
312	Accounts payable <= 90 days	\$ 44,554	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	-	-	-	-	-
322	Accrued compensated absences - current	11,847	-	-	-	12,897	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD	27,102	-	-	-	-	-	-	-	58,370	16,122	-
333	Accounts Payable - Other Government	227,518	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	221,519	-	-	-	-	-	-	-	-	-	-
342	Unearned revenues	23,549	-	-	-	-	-	425,242	-	-	-	-
343	Current portion of LT debt - capital projects	-	-	-	-	-	-	-	-	-	-	-
344	Current portion of LT debt- Operating	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	3,224	-	-	-	29,526	-	-	-	-	-	-
346	Other liabilities	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram - due to	3,227,002	-	-	-	1,878,031	-	-	-	36,611	1,220	3,420
310	Total current liabilities	3,786,315	-	-	-	1,920,954	-	425,242	-	94,981	17,342	3,465
NONCURRENT LIABILITIES												
351	Long-term debt, net of current - capital	-	-	-	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	32,224	-	-	-	81,181	-	-	-	-	-	-
354	Accrued compensated absences - noncurrent	106,620	-	-	-	115,750	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	2,259,896	-	-	-	2,304,345	-	-	-	-	-	-
350	Total noncurrent liabilities	2,398,740	-	-	-	2,501,276	-	-	-	-	-	-
300	Total liabilities	6,185,055	-	-	-	4,422,230	-	425,242	-	94,981	17,342	3,465
400	Deferred Inflow of Resources	213,241	-	-	-	205,407	-	-	-	-	-	-
	Total Liabilities & Deferred Inflow of Resources	6,398,296	-	-	-	4,627,637	-	425,242	-	94,981	17,342	3,465
NET POSITION												
508.4	Net investment in capital assets	11,417,303	-	-	-	139,205	-	-	-	-	-	-
511.4	Restricted net position	-	-	-	-	-	-	-	-	-	-	-
512.4	Unrestricted net position	(2,011,005)	-	-	-	(2,401,958)	-	-	-	75,991	25,919	13,815
513	Total net position	9,406,298	-	-	-	(2,262,753)	-	-	-	75,991	25,919	13,815
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 15,804,594	\$ -	\$ -	\$ -	\$ 2,364,884	\$ -	\$ 425,242	\$ -	\$ 170,972	\$ 43,261	\$ 17,280

**HOUSING AUTHORITY OF THE CITY OF RENO
FINANCIAL DATA SCHEDULE
YEAR ENDED JUNE 30, 2020**

Line Item #	Accounts Description	Neighborhood Stabilization Program	Housing Investment Partnerships	Dollar Home Sales	Resident Opportunity and Supportive Services	Business Activities	Blended Component Unit	COCC	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
CURRENT LIABILITIES												
312	Accounts payable <= 90 days	\$ 4,427	\$ 859	\$ 11	\$ -	\$ 978,224	\$ 2,761	\$ -	\$ -	\$ 1,031,381	\$ 14,236	\$ 1,045,617
321	Accrued wage/payroll taxes payable	-	-	-	-	102,646	13,726	-	-	116,372	-	116,372
322	Accrued compensated absences - current	2,174	72	72	652	507	-	8,008	-	36,229	-	36,229
325	Accrued interest payable	6	-	-	-	25,536	-	-	-	25,542	68,637	94,179
331	Accounts payable - HUD	-	-	-	-	-	-	-	-	101,594	-	101,594
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	227,518	-	227,518
341	Tenant security deposits	99,167	8,690	18,605	-	125,686	-	-	-	473,667	-	473,667
342	Unearned revenues	31,037	3,338	7,632	-	7,095	6,446	-	-	504,339	-	504,339
343	Current portion of LT debt - capital projects	-	-	-	-	260,631	-	-	-	260,631	-	260,631
344	Current portion of LT debt - operating	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	1,453	-	-	-	82,911	-	-	-	117,114	2,823,551	2,940,665
346	Accrued Liabilities - Other	-	-	-	-	291,743	405	-	-	292,148	-	292,148
347	Interprogram - due to	-	-	354,836	244,429	-	899,357	-	(6,644,906)	-	-	-
310	Total current liabilities	138,264	12,959	381,156	245,081	1,874,979	922,695	8,008	(6,644,906)	3,186,535	2,906,424	6,092,959
NONCURRENT LIABILITIES												
351	Long-term debt, net of current - capital	-	-	-	-	752,171	-	-	-	752,171	9,463,492	10,215,663
352	Long-term debt, net of current - operating	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	-	-	-	-	44,143	-	-	-	157,548	-	157,548
354	Accrued compensated absences - noncurrent	19,563	652	652	5,869	4,891	-	72,058	-	326,055	-	326,055
357	Accrued Pension and OPEB Liabilities	290,542	22,089	19,833	-	746,318	-	1,811,352	-	7,454,375	-	7,454,375
350	Total noncurrent liabilities	310,105	22,741	20,485	5,869	1,547,523	-	1,883,410	-	8,690,149	9,463,492	18,153,641
300	Total liabilities	448,369	35,700	401,641	250,950	3,422,502	922,695	1,891,418	(6,644,906)	11,876,684	12,369,916	24,246,600
400	Deferred Inflow of Resources	25,624	2,329	2,090	-	71,176	-	160,939	-	680,806	-	680,806
	Total Liabilities and Deferred Inflow of Resources	473,993	38,029	403,731	250,950	3,493,678	922,695	2,052,357	(6,644,906)	12,557,490	12,369,916	24,927,406
NET POSITION												
508.4	Net investment in capital assets	12,919,213	1,142,813	1,707,873	-	8,744,738	25,972	160,235	-	36,257,352	2,444,537	38,701,889
511.4	Restricted net position	-	-	-	-	-	-	-	-	-	-	-
512.4	Unrestricted net position	5,211,272	476,437	(370,158)	-	10,432,947	2,978,743	(29,701)	-	14,402,302	(2,020,444)	12,381,858
513	Total net position	18,130,485	1,619,250	1,337,715	-	19,177,685	3,004,715	130,534	-	50,659,654	424,093	51,083,747
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 18,604,478</u>	<u>\$ 1,657,279</u>	<u>\$ 1,741,446</u>	<u>\$ 250,950</u>	<u>\$ 22,671,363</u>	<u>\$ 3,927,410</u>	<u>\$ 2,182,891</u>	<u>\$ (6,644,906)</u>	<u>\$ 63,217,144</u>	<u>\$ 12,794,009</u>	<u>\$ 76,011,153</u>

**HOUSING AUTHORITY OF THE CITY OF RENO
FINANCIAL DATA SCHEDULE
YEAR ENDED JUNE 30, 2020**

Line Item #	Accounts Description	Project Total	MTW - Low Rent	MTW - HCV	MTW - CFP	MTW - Demonstration Program	MTW-Cares	HCV-Cares	Section 8 Housing Assistance Payments	Section 8 MOD-SRO	Section 8 Moderate Rehabilitation	Shelter Plus Care
REVENUE												
70300	Net tenant rental revenue	\$ 2,759,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	42,297	-	-	-	-	-	-	-	-	-	-
70500	Total tenant revenue	2,801,459	-	-	-	-	-	-	-	-	-	-
70600	HUD PHA operating grants	-	1,316,451	19,415,856	229,464	-	-	1,030	24,513,841	77,561	13,747	-
706.10	Capital grants	-	-	-	1,448,316	-	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management fee	-	-	-	-	-	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	-	-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	15,381	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	186,158	-	-	-	1,332	-	-
71500	Other revenue	169,036	-	-	-	271,216	-	-	-	-	-	3,255
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
72000	Investment income - Restricted	-	-	-	-	-	-	-	-	-	-	-
70000	Total revenue	2,985,876	1,316,451	19,415,856	1,677,780	457,374	-	1,030	24,513,841	78,893	13,747	3,255
EXPENSES												
Administrative:												
91100	Administrative salaries	567,356	-	-	-	1,087,695	-	-	-	-	-	-
91200	Auditing fees	30,276	-	-	-	7,000	-	-	-	-	-	-
91300	Management fee	587,311	-	-	-	368,642	-	-	-	2,532	288	-
91310	Bookkeeping fee	61,955	-	-	-	219,652	-	-	-	1,582	180	-
91400	Advertising	1,622	-	-	-	482	-	-	-	-	-	-
91500	Employee benefit contributions - admin	824,443	-	-	-	404,856	-	-	-	-	-	-
91600	Office expense	198,646	-	-	-	224,151	943	-	-	-	-	-
91700	Legal expense	-	-	-	-	-	-	-	-	-	-	-
91800	Travel	2,422	-	-	-	1,304	-	-	-	-	-	-
91900	Other	-	-	-	-	-	-	-	-	-	-	-
	Total administrative	2,274,031	-	-	-	2,313,782	943	-	-	4,114	468	-
92000	Asset Management Fee	90,120	-	-	-	-	-	-	-	-	-	-
Tenant services:												
92100	Salaries	54,179	-	-	-	-	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions	30,001	-	-	-	-	-	-	-	-	-	-
92400	Other	56,126	-	-	-	3,525	-	-	-	-	-	-
	Total tenant services	140,306	-	-	-	3,525	-	-	-	-	-	-
Utilities:												
93100	Water	112,301	-	-	-	-	-	-	-	-	-	-
93200	Electricity	55,559	-	-	-	-	-	-	-	-	-	-
93300	Gas	46,082	-	-	-	-	-	-	-	-	-	-
93400	Fuel	132,790	-	-	-	-	-	-	-	-	-	-
93600	Sewer	247,026	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	19,607	-	-	-	-	-	-	-	-	-	-
	Total utilities	613,365	-	-	-	-	-	-	-	-	-	-
Ordinary maintenance & operations:												
94100	Labor	508,892	-	-	-	-	-	-	-	-	-	-
94200	Materials and other	146,552	-	-	-	157	87	-	-	-	-	-
94300	Contracts	667,776	-	-	-	7,656	-	-	-	-	-	-
94500	Employee benefits contribution	305,887	-	-	-	-	-	-	-	-	-	-
	Total ordinary maintenance and operations	1,629,107	-	-	-	7,813	87	-	-	-	-	-

**HOUSING AUTHORITY OF THE CITY OF RENO
FINANCIAL DATA SCHEDULE
YEAR ENDED JUNE 30, 2020**

Line Item #	Accounts Description	Neighborhood Stabilization Program	Housing Investment Partnerships	Dollar Home Sales	Resident Opportunity and Supportive Services	Business Activities	Blended Component Unit	COCC	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
REVENUE												
70300	Net tenant rental revenue	\$ 1,143,924	\$ 99,641	\$ 157,796	\$ -	\$ 2,709,125	\$ -	\$ -	\$ -	\$ 6,869,648	\$ -	\$ 6,869,648
70400	Tenant revenue - other	3,182	100	200	-	33,415	-	-	-	79,194	-	79,194
70500	Total tenant revenue	1,147,106	99,741	157,996	-	2,742,540	-	-	-	6,948,842	-	6,948,842
70600	HUD PHA operating grants	-	-	-	109,616	-	-	-	-	45,677,566	-	45,677,566
706.10	Capital grants	-	-	-	-	-	-	-	-	1,448,316	-	1,448,316
70710	Management fee	-	-	-	-	-	-	1,118,466	(1,118,466)	-	-	-
70720	Asset Management fee	-	-	-	-	-	-	120,648	(120,648)	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	559,545	(559,545)	-	-	-
70750	Other Service Fees	-	-	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	-	-	-	-	-	24,513,841	-	(24,513,841)	-	-	-
71100	Investment income - unrestricted	39,586	-	-	-	59,470	17,554	12,949	-	144,940	-	144,940
71400	Fraud recovery	-	-	-	-	-	-	-	-	187,490	-	187,490
71500	Other revenue	21,404	7,132	15,346	-	510,534	96,286	176,681	(159,480)	1,111,410	-	1,111,410
71600	Gain or loss on sale of capital assets	2,966	-	-	-	-	-	5,000	-	7,966	-	7,966
72000	Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-
70000	Total revenue	1,211,062	106,873	173,342	109,616	3,312,544	24,627,681	1,993,289	(26,471,980)	55,526,530	-	55,526,530
EXPENSES												
Administrative:												
91100	Administrative salaries	60,688	4,498	4,765	74,099	106,973	186,790	834,276	-	2,927,140	-	2,927,140
91200	Auditing fees	508	56	113	-	1,695	-	11,700	-	51,348	-	51,348
91300	Management fee	113,044	7,820	17,205	-	165,020	-	-	(1,118,466)	143,396	-	143,396
91310	Bookkeeping fee	9,240	825	1,819	-	3,915	260,377	-	(559,545)	-	-	-
91400	Advertising	-	-	-	-	738	454	6,495	-	9,791	-	9,791
91500	Employee benefit contributions - admin	112,427	8,518	13,047	30,970	36,594	54,586	714,873	-	2,200,314	46	2,200,360
91600	Office expense	83,865	-	43,966	-	67,499	60,908	342,344	(159,480)	862,842	6,263	869,105
91700	Legal expense	-	-	-	-	19,513	680	167,408	-	187,601	844	188,445
91800	Travel	8	-	-	-	8	13,933	21,058	-	38,733	-	38,733
91900	Other	41,000	1,440	-	-	-	47,004	-	-	89,444	-	89,444
	Total administrative	420,780	23,157	80,915	105,069	401,955	624,732	2,098,154	(1,837,491)	6,510,609	7,153	6,517,762
92000	Asset Management Fee	16,128	-	3,168	-	11,232	-	-	(120,648)	-	-	-
Tenant services:												
92100	Salaries	-	-	-	-	3,046	-	-	-	57,225	-	57,225
92200	Relocation costs	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions	-	-	-	-	907	-	-	-	30,908	-	30,908
92400	Other	-	-	-	-	56,333	-	-	-	115,984	-	115,984
	Total tenant services	-	-	-	-	60,286	-	-	-	204,117	-	204,117
Utilities:												
93100	Water	2,436	314	267	-	37,885	261	1,820	-	155,284	150	155,434
93200	Electricity	745	374	418	-	26,768	1,263	9,711	-	94,838	-	94,838
93300	Gas	883	501	251	-	12,335	611	2,458	-	63,121	-	63,121
93400	Fuel	-	-	-	-	-	-	-	-	132,790	-	132,790
93600	Sewer	38,112	5,145	8,529	-	170,639	577	-	-	470,028	-	470,028
93800	Other utilities expense	70	6	199	-	1,947	1,715	23,095	-	46,639	-	46,639
	Total utilities	42,246	6,340	9,664	-	249,574	4,427	37,084	-	962,700	150	962,850
Ordinary maintenance & operations:												
94100	Labor	76,007	8,326	6,698	-	203,544	297	14,836	-	818,600	91	818,691
94200	Materials and other	41,294	3,163	4,554	-	82,836	74	6,541	-	285,258	2,700	287,958
94300	Contracts	84,641	8,467	8,406	-	219,915	16,726	114,720	-	1,128,307	468	1,128,775
94500	Employee benefits contribution	36,803	4,267	3,948	-	60,592	87	7,259	-	418,843	-	418,843
	Total ordinary maintenance & operations	238,745	24,223	23,606	-	566,887	17,184	143,356	-	2,651,008	3,259	2,654,267

**HOUSING AUTHORITY OF THE CITY OF RENO
FINANCIAL DATA SCHEDULE
YEAR ENDED JUNE 30, 2020**

Line Item #	Accounts Description	Project Total	MTW - Low Rent	MTW - HCV	MTW - CFP	MTW - Demonstration Program	MTW-Cares	HCV-Cares	Section 8 Housing Assistance Payments	Section 8 MOD-SRO	Section 8 Moderate Rehabilitation	Shelter Plus Care
	EXPENSES (Continued)											
	Insurance premiums:											
96110	Property insurance	\$ 84,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96120	Liability insurance	12,615	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	27,397	-	-	-	26,395	-	-	-	-	-	-
96140	All other insurance	20,753	-	-	-	924	-	-	-	-	-	-
96100	Total insurance premiums	144,788	-	-	-	27,319	-	-	-	-	-	-
	General expenses:											
96200	Other general expenses	92,230	-	-	-	-	-	-	24,513,841	-	-	-
96210	Compensated absences	63,502	-	-	-	69,134	-	-	-	-	-	-
96300	Payment in lieu of taxes	227,518	-	-	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	22,943	-	-	-	97,809	-	-	-	2,615	1,275	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-
96000	Total general expenses	406,193	-	-	-	166,943	-	-	24,513,841	2,615	1,275	-
96710	Interest of mortgage payable	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on notes payable	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization	-	-	-	-	-	-	-	-	-	-	-
96900	Total operating expenses	5,297,910	-	-	-	2,519,382	1,030	-	24,513,841	6,729	1,743	-
	Excess of operating revenue over operating expenses	(2,312,034)	1,316,451	19,415,856	1,677,780	(2,062,008)	(1,030)	1,030	-	72,164	12,004	3,255
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses- Non-capitalized	-	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	16,890,240	-	-	-	55,607	8,761	-
97350	HAP Portability-in	-	-	-	-	230,725	-	-	-	-	-	-
97400	Depreciation expense	1,451,448	-	-	-	16,854	-	-	-	-	-	-
97500	Fraud Losses	-	-	-	-	-	-	-	-	-	-	-
90000	Total expenses	6,749,358	-	-	-	19,657,201	1,030	-	24,513,841	62,336	10,504	-
	Other financing sources (uses):											
10010	Operating transfer in	1,448,316	-	-	-	22,410,087	1,030	-	-	-	-	-
10020	Operating transfer out	(1,448,316)	(1,316,451)	(19,415,856)	(1,677,780)	-	-	(1,030)	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-
10093	Transfers between Program and Project - In	2,994,231	-	-	-	-	-	-	-	-	-	-
10094	Transfers between Program and Project - Out	-	-	-	-	(2,994,231)	-	-	-	-	-	-
10100	Total other financing sources (uses)	2,994,231	(1,316,451)	(19,415,856)	(1,677,780)	19,415,856	1,030	(1,030)	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (769,251)	\$ -	\$ -	\$ -	\$ 216,029	\$ -	\$ -	\$ -	\$ 16,557	\$ 3,243	\$ 3,255

**HOUSING AUTHORITY OF THE CITY OF RENO
FINANCIAL DATA SCHEDULE
YEAR ENDED JUNE 30, 2020**

Line Item #	Accounts Description	Neighborhood Stabilization Program	Housing Investment Partnerships	Dollar Home Sales	Resident Opportunity and Supportive Services	Business Activities	Blended Component Unit	COCC	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
EXPENSES (Continued)												
Insurance premiums:												
96110	Property insurance	\$ 12,531	\$ 1,119	\$ 2,461	\$ -	\$ 38,152	\$ -	\$ 98	\$ -	\$ 138,384	\$ -	\$ 138,384
96120	Liability insurance	1,881	168	370	-	5,728	-	-	-	20,762	-	20,762
96130	Workmen's Compensation	2,778	328	313	1,051	7,106	3,501	19,902	-	88,771	2	88,773
96140	All other insurance	3,791	215	472	-	7,316	-	24,498	-	57,969	-	57,969
96100	Total insurance premiums	20,981	1,830	3,616	1,051	58,302	3,501	44,498	-	305,886	2	305,888
General expenses:												
96200	Other general expenses	636	46	113	-	71,684	3	289	(24,513,841)	165,001	3,607	168,608
96210	Compensated absences	11,652	388	388	3,496	2,719	-	42,918	-	194,197	-	194,197
96300	Payment in lieu of taxes	-	-	-	-	-	-	-	-	227,518	-	227,518
96400	Bad debt - tenant rents	2,249	-	-	-	114	-	-	-	127,005	-	127,005
96600	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-
96000	Total general expenses	14,537	434	501	3,496	74,517	3	43,207	(24,513,841)	713,721	3,607	717,328
96710	Interest of mortgage payable	-	-	-	-	30,839	-	-	-	30,839	-	30,839
96720	Interest on notes payable	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization	-	-	-	-	30,839	-	-	-	30,839	-	30,839
96900	Total operating expenses	753,417	55,984	121,470	109,616	1,453,592	649,847	2,366,299	(26,471,980)	11,378,880	14,171	11,393,051
97000	Excess of operating revenue over operating expenses	457,645	50,889	51,872	-	1,858,952	23,977,834	(373,010)	-	44,147,650	(14,171)	44,133,479
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses- Non-capitalized	-	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	61,907	23,698,319	-	-	40,714,834	-	40,714,834
97350	HAP Portability-in	-	-	-	-	-	-	-	-	230,725	-	230,725
97400	Depreciation expense	484,737	55,518	75,768	-	565,671	4,884	37,118	-	2,691,998	-	2,691,998
97500	Fraud Losses	-	-	-	-	-	-	-	-	-	-	-
90000	Total expenses	1,238,154	111,502	197,238	109,616	2,081,170	24,353,050	2,403,417	(26,471,980)	55,016,437	14,171	55,030,608
Other financing sources (uses):												
10010	Operating transfer in	-	-	-	-	-	-	-	(23,859,433)	-	-	-
10020	Operating transfer out	-	-	-	-	-	-	-	23,859,433	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	(2,994,231)	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	2,994,231	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (27,092)	\$ (4,629)	\$ (23,896)	\$ -	\$ 1,231,374	\$ 274,631	\$ (410,128)	\$ -	\$ 510,093	\$ (14,171)	\$ 495,922

**HOUSING AUTHORITY OF THE CITY OF RENO
FINANCIAL DATA SCHEDULE
YEAR ENDED JUNE 30, 2020**

Line Item #	Accounts Description	Project Total	MTW - Low Rent	MTW - HCV	MTW - CFP	MTW - Demonstration Program	MTW- Cares	HCV- Cares	Section 8 Housing Assistance Payments	Section 8 MOD-SRO	Section 8 Moderate Rehabilitation	Shelter Plus Care
Memo Account Information												
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning equity	9,897,491	-	-	-	(2,419,552)	-	-	-	59,434	22,676	10,560
11040	Prior period adjustments, equity transfers correction	278,058	-	-	-	(59,230)	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	9,012	-	-	-	33,864	-	-	-	264	60	-
11210	Number of unit months leased	8,861	-	-	-	31,027	-	-	-	252	56	-
11620	Building purchases	1,448,316	-	-	-	-	-	-	-	-	-	-
11630	Furniture and Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture and Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-

**HOUSING AUTHORITY OF THE CITY OF RENO
FINANCIAL DATA SCHEDULE
YEAR ENDED JUNE 30, 2020**

Line Item #	Accounts Description	Neighborhood Stabilization Program	Housing Investment Partnerships	Dollar Home Sales	Resident Opportunity and Supportive Services	Business Activities	Blended Component Unit	COCC	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
Memo Account Information												
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ 241,000	\$ -	\$ -	\$ -	\$ 241,000	\$ -	\$ 241,000
11030	Beginning equity	18,147,786	1,604,353	1,321,906	-	18,445,261	2,730,084	329,562	-	50,149,561	438,264	50,587,825
11040	Prior period adjustments, equity transfers correction	9,791	19,526	39,705	-	(498,950)	-	211,100	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	1,344	120	288	-	4,224	38,088	-	-	87,264	-	87,264
11210	Number of unit months leased	1,295	115	281	-	4,213	37,823	-	-	83,923	-	83,923
11620	Building purchases	-	-	-	-	-	-	-	-	1,448,316	-	1,448,316
11630	Furniture and Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture and Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-



**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**

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 and the discretely presented component unit of the Housing Authority of the City of Reno (the Authority), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 7, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Baltimore, Maryland
April 7, 2021



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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 (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2020. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority'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 Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Authority 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, 2020.

Report on Internal Control over Compliance

Management of the Authority 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 Authority'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 Authority's internal control over compliance.

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

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

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



CliftonLarsonAllen LLP

Baltimore, Maryland
April 7, 2021

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
14.195/14.249/14.856	Section 8 Project-Based Cluster
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>1,336,122</u>
Auditee qualified as low-risk auditee?	_____ yes <u> x </u> no

**HOUSING AUTHORITY OF THE CITY OF RENO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2020**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).