



"THE BIGGEST LITTLE CITY IN THE WORLD"

CITY OF RENO, NEVADA

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2022



INTRODUCTION

From Our Director

The City of Reno is proud to present its first ever Popular Annual Financial Report (PAFR). The goal of this PAFR is to present the City's financial data in an easy-to-read format. The data presented in the PAFR comes directly from the City's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022.

The City's ACFR provides detailed and technical data and includes information reported in accordance with GAAP standards. The PAFR has selected information about the City as a whole, the general fund, enterprise funds and the City's outstanding debt. For more detailed information, please refer to the City's ACFR.

The City's Annual Comprehensive Financial Report (ACFR) has been submitted to the Government Finance Officers Association (GFOA) to receive the Excellence in Financial Reporting for the year ended June 30, 2022. The City also submitted the application for the year ended June 30, 2021 and earned the award, marking the 39th consecutive year that it has received this award. The application has been submitted for the 2022 fiscal year and we are confident that the ACFR will be awarded it's 40th consecutive award.

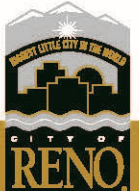
We hope that this PAFR will provide you with a better understanding of the City of Reno, our purpose, structure and also give an easy understanding of our overall financial position. Please feel free to reach out to the Finance Department with any questions that come up as you read this. We can be reached at Finance@reno.gov.

Sincerely,

Vicki Van Buren
Director of Finance

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FUND ACCOUNTING

A fund is a separate, self-balancing set of accounts to record activity involving assets and liabilities. The City, as with other governmental agencies, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City are divided into governmental, proprietary, and fiduciary funds.

City Funds

Governmental Funds

General Fund - used to account for resources traditionally associated with government which are not required by law, regulation, or sound financial management policy to be accounted for in another fund



1

Special Revenue Funds - used to account for specific revenues that are restricted by law or policy to expenditures for a particular purpose



10

Debt Service Funds - used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies



6

Capital Project Funds - used to account for the acquisition and construction of major capital facilities other than those financed by proprietary or trust funds



7

Proprietary Funds

Enterprise Funds - used to account for operations that are financed and operated in a manner similar to private business enterprises



2

Internal Service Funds - used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units on a cost - reimbursement basis



4

Fiduciary Funds - used to account for resources held for the benefit of parties outside of the City government



2

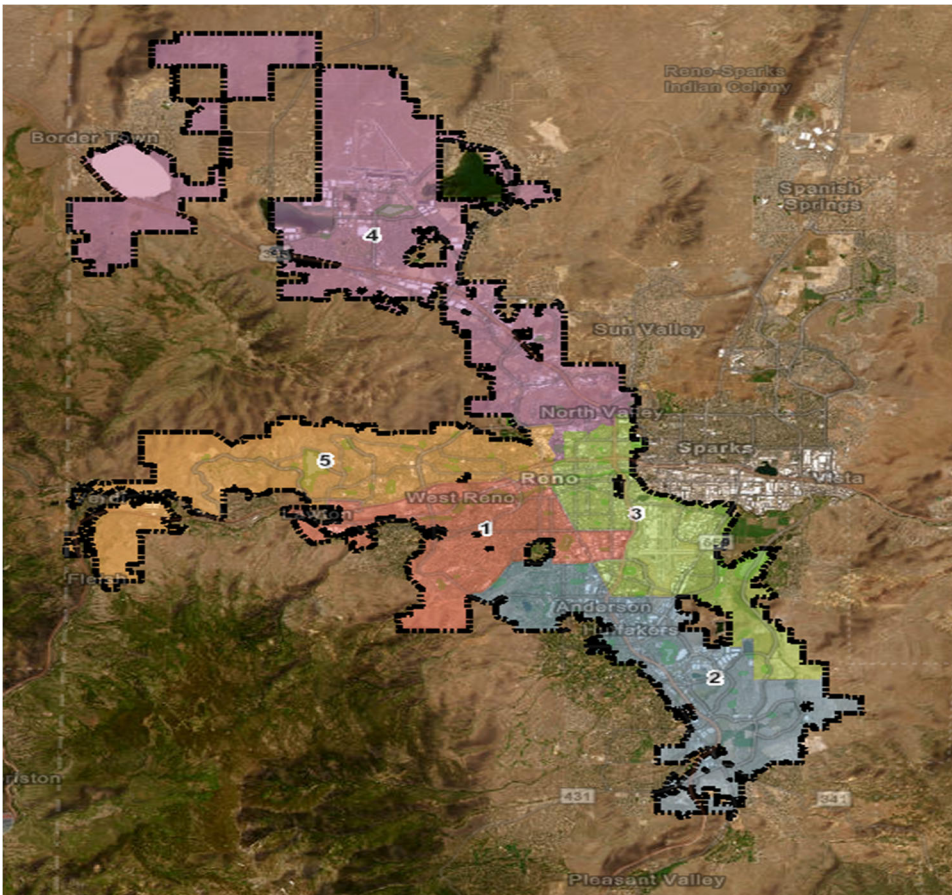


RENO CITY COUNCIL

The City has a Council-Manager form of government with six Council members elected for staggered terms of four years. The Mayor is the chief elected official and formal representative of the City. Elected at large, the Mayor serves for a four-year term. The City Manager is selected by the Council and is the City's chief administrative official. The City Manager is responsible for all City business.

The City Council has adopted the following overarching goals to help develop the priorities of the City and to enhance the services the City provides:

- * Provide for public safety
- * Ensure financial sustainability
- * Provide economic opportunity, reduce homelessness and increase affordable housing
- * Provide economic and community development
- * Improve the City's infrastructure, address climate change and enhance environmental sustainability
- * Enhance the arts, parks and historical resources in the community



Mayor
Hillary Schieve



At-Large
Devon Reese



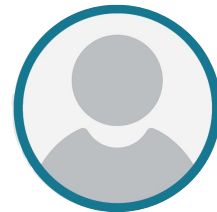
Ward 1
Jenny Brekhuis



Ward 2
Naomi Duerr



Ward 3
Miguel Martinez



Ward 4
Meghan Ebert



Ward 5
Kathleen Taylor

Fiscal Sustainability	Public Safety	Economic Opportunity, Homeless & Affordable Housing	Economic & Community Development	Infrastructure, Climate Change & Environmental	Sustainability Arts, Parks and Historical Resources



CITY LEADERSHIP



 City Manager Doug Thornley	 Asst. City Manager Jackie Bryant	 Asst. City Manager JW Hodge	 Reno Fire Chief David Cochran	 Reno Police Chief Jason Soto
 City Clerk Mikki Huntsman	 Director of Code & Parking Enforcement Alex Woodley	 Chief Innovation & Experience Officer Ashley Turney	 Director of Finance Vicki Van Buren	
 Director of Communications Rebecca Venis	 Reno Municipal Court Administrator Steve Tuttle	 Director of Policy & Strategy Calli Wilsey	 Director of Development Services Chris Pingree	 Director of Human Resources Norma Santoyo
 Director of Parks & Recreation Jaime Schroeder	 Asst. City Attorney Jonathan Shipman	 Director of Utility Services Trina Magoon	 Director of Public Works & City Engineer Kerrie Kostki	
 Director of Information Technology Craig Franden	 Director of Maintenance & Operations Travis Truhill	 Chief Equity & Community Relationships Officer Cynthia Esparza	 Regional Infrastructure Administrator John Flansberg	 Chief Examiner Barbara Ackermann

OTHER ELECTED OFFICIALS

 City Attorney Karl Hall	 Judge Gene Drakulich	 Judge Shelly T. O'Neill	 Judge Dorothy Nash Holmes	 Judge Christopher Hazlett-Stevens
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COMMUNITY PROFILE

The City and surrounding area provide unlimited indoor and outdoor recreations activities. Within a fifty mile radius are Lake Tahoe and the largest concentration of ski facilities in the world. Biking, camping, hunting, fishing and mountain climbing are all available within a thirty minute drive.

Along with the outdoor opportunities, the City is host to many community events including a week long 50's nostalgia celebration called Hot August Nights; the Great Reno Balloon Races, a three day event competition for hot air balloonists; the Reno Rodeo, one of the largest rodeos in the west; the month long Artown festival in July; and various special events hosted by the City of Reno and other organizers.

LOCAL ECONOMY

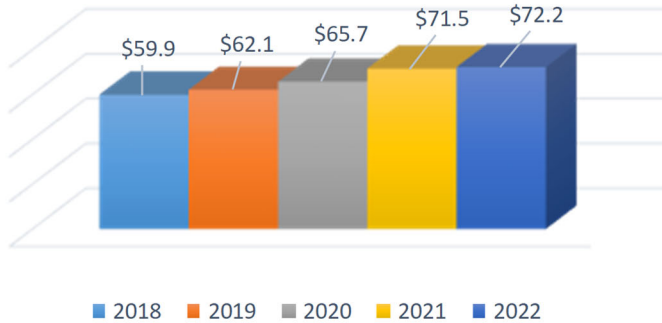
The region's economy has long relied on consumption-related activities such as logistics, construction, tourism, and gaming, an extensive array of hospitality and casino options as well as vast recreational opportunities. More recently, the economic structure of the region has been expanding and diversifying to include more technology based industries.

Employment in Reno and Washoe County has returned to a normal level after the global COVID-19 pandemic. In the Reno-Sparks region, the August 2022 unemployment rate stood at 3.4%, which has decreased over the past year with a low of 2.40% in December 2021 and a high of 4.10% in August 2021. Overall, Nevada had an unemployment rate of 4.4%, exceeding the national average of 3.7% in August 2022. This is mainly due to the large gaming and tourism industries that support Nevada. Unemployment in Reno has fared better at 3.4% which is due to the diversified economy that Reno has been able to develop over the years.



CITY OF RENO AT A GLANCE

Per Capita Personal Income (In Thousands)

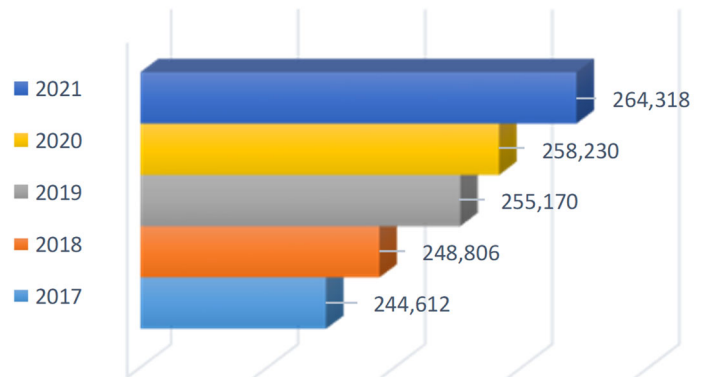


The Economic Development Association of Western Nevada (EDAWN) reports that Reno is ranked number 1 in the top 50 Small Cities to live in the United States in 2020 and ranked among the top U.S. cities for young professionals in 2021. This is due to the natural beauty of the region as well as the pro-business attitude of the area's leaders. Increasingly, technology companies and a highly educated workforce are driving Reno's popularity with companies like Tesla, Amazon, and Google.

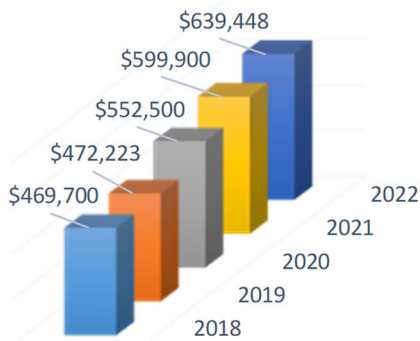
TOP TEN EMPLOYERS

Employer	Average Employees
Washoe County School District	5,000-9,999
Renown Regional Medical Center	5,000-9,999
Washoe County	1,000-4,999
Peppermill Hotel Casino	1,000-4,999
Nugget Casino Resort	1,000-4,999
Grand Sierra Resort & Casino	1,000-4,999
St. Mary's Regional Medical Center	1,000-4,999
Eldorado Resort Casino	1,000-4,999
Silver Legacy Resort Casino	1,000-4,999
Nevada System of Higher Education	1,000-4,999
International Game Technology	1,000-4,999

Population



Median Home Price



GOVERNMENT-WIDE STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current, restricted and other assets	\$ 357,619,343	\$ 316,796,820	\$ 197,217,467	\$ 179,176,047	\$ 554,836,810	\$ 495,972,867
Investment in Truckee Meadows Water Reclamation Facility	-	-	83,128,787	86,670,221	83,128,787	86,670,221
Capital assets	960,978,841	976,556,310	465,192,349	422,810,128	1,426,171,190	1,399,366,438
Total assets	1,318,598,184	1,293,353,130	745,538,603	688,656,396	2,064,136,787	1,982,009,526
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amounts related to pensions and OPEB	107,252,192	40,546,187	9,419,038	3,297,352	116,671,230	43,843,539
Deferred loss on debt refunding activity	18,545,178	19,424,043	-	-	18,545,178	19,424,043
Total deferred outflows of resources	125,797,370	59,970,230	9,419,038	3,297,352	135,216,408	63,267,582
LIABILITIES						
Current liabilities	127,162,709	106,105,706	32,371,892	29,085,353	159,534,601	135,191,059
Long-term liabilities	772,844,542	865,457,236	82,274,504	61,147,579	855,119,046	926,604,815
Total liabilities	900,007,251	971,562,942	114,646,396	90,232,932	1,014,653,647	1,061,795,874
DEFERRED INFLOWS OF RESOURCES						
Deferred amounts related to pensions and OPEB	192,467,338	79,513,469	17,860,105	4,033,455	210,327,443	83,546,924
Deferred amounts related to leases	7,166,669	-	-	-	7,166,669	-
Total deferred inflows of resources	199,634,007	79,513,469	17,860,105	4,033,455	217,494,112	83,546,924
NET POSITION						
Net investment in capital assets	599,449,583	599,592,166	400,350,066	380,253,875	999,799,649	979,846,041
Restricted	90,213,451	92,968,067	89,428,695	31,929,920	179,642,146	124,897,987
Unrestricted	(344,908,131)	(390,313,284)	132,672,379	185,503,566	(212,235,752)	(204,809,718)
Total net position	\$ 344,754,903	\$ 302,246,949	\$ 622,451,140	\$ 597,687,361	\$ 967,206,043	\$ 899,934,310

GOVERNMENTAL ACTIVITIES

The City's current, restricted and other assets increased mainly with the receipt of \$25.8 million of State and Local Fiscal Recovery Fund (SLFRF) monies received in June of 2022; an increase in consolidated tax revenues; and an increase in property taxes collected.

The increase in currently liabilities is due to the reporting of the SLFRF as unearned revenue while the City develops its performance plan using the five major categories outlined by the U.S. Department of the Treasury.

A reduction in the net OPEB liability, along with repayment of long-term debt through scheduled, semi-annual debt service, contributed to the overall reduction in long-term liabilities.

BUSINESS-TYPE ACTIVITIES

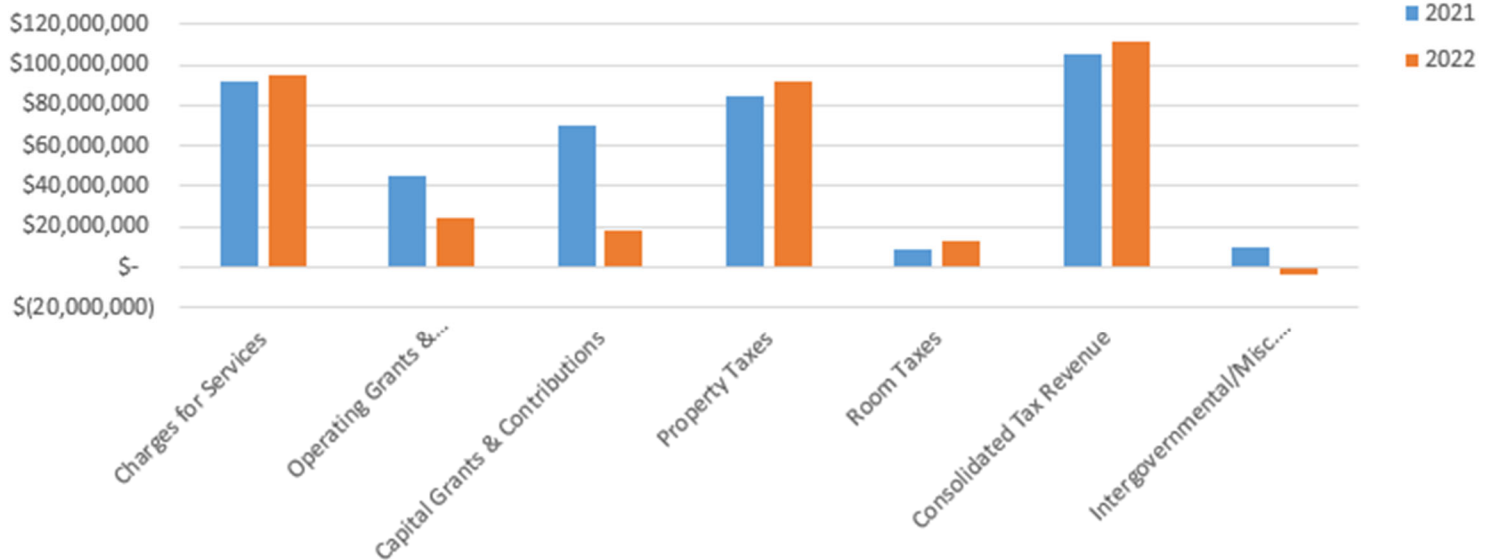
Total assets for the City's business-type activities increased by 8.2%. The increase in current, restricted and other assets is due to an increase of \$17.4 million related to sewer connection fees that will be spent over the next 5 years to expand plant operations; a reduction in the note receivable between the City and the City of Sparks; and an overall increase in charges for services related to building permits.

Net capital assets increased due to the number of sewer line rehabilitation projects in various stages of completion and the expansion in progress of the Reno-Sparks Water Reclamation Facility. The cost of these projects exceeded the effect of depreciation and asset disposals during the fiscal year. Other assets include a majority ownership interest in the Truckee Meadows Water Reclamation Facility.



GOVERNMENT WIDE STATEMENT OF ACTIVITIES

GOVERNMENTAL ACTIVITIES REVENUES



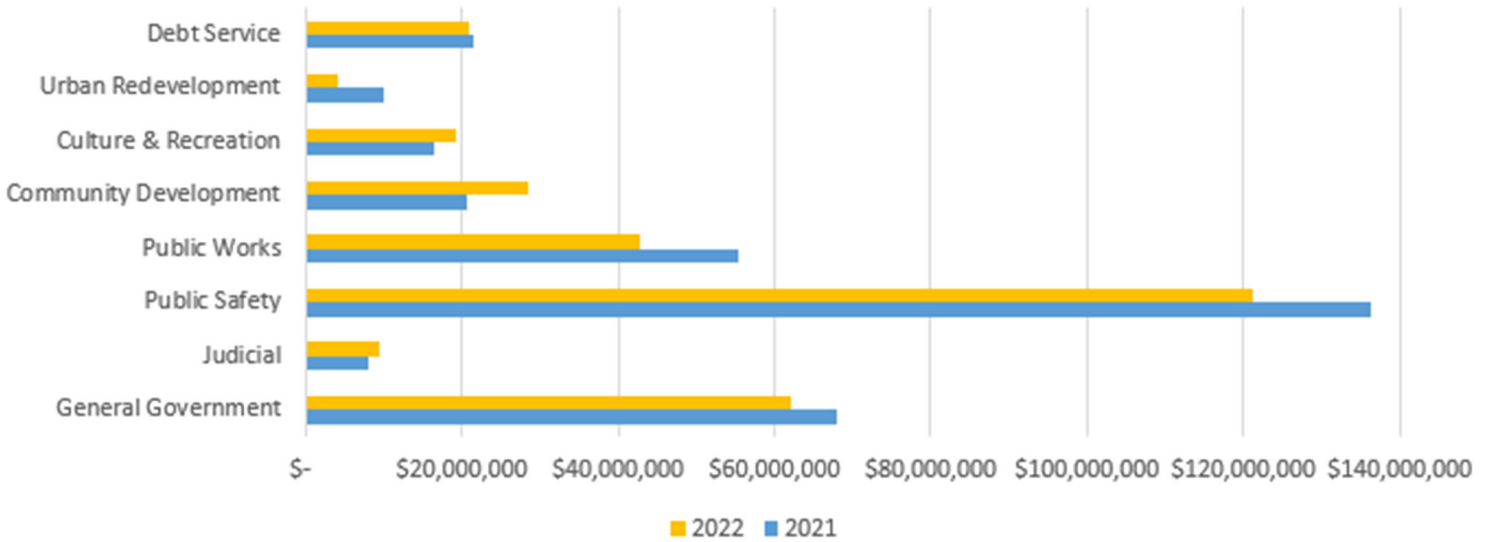
GOVERNMENTAL ACTIVITIES REVENUE HIGHLIGHTS

- Charges for services rose by 1% compared to the prior fiscal year. The primary increases in revenue related to Culture and Recreation after school programs because schools were in session for the full fiscal year.
- The increase in consolidated tax revenues that continue to grow year over year is perhaps partially due to additional stimulus payments distributed by the federal government, giving residents additional money to spend and low interest rates.
- The 63% decrease in capital grants and contributions is the result of completing the CARES Act grants in the prior year. The City did receive \$52 million in ARPA funds, but only \$4 million has been expended as of year end.
- Interest and investment earnings saw a large decline due to the change in value of the City's investment portfolio. While The City realized some significant revenue through the sale of certain real property and some of the proceeds of which were used to pay off the outstanding 2014 Taxable Lease Revenue bonds.



GOVERNMENT WIDE STATEMENT OF ACTIVITIES

GOVERNMENTAL ACTIVITIES EXPENSES



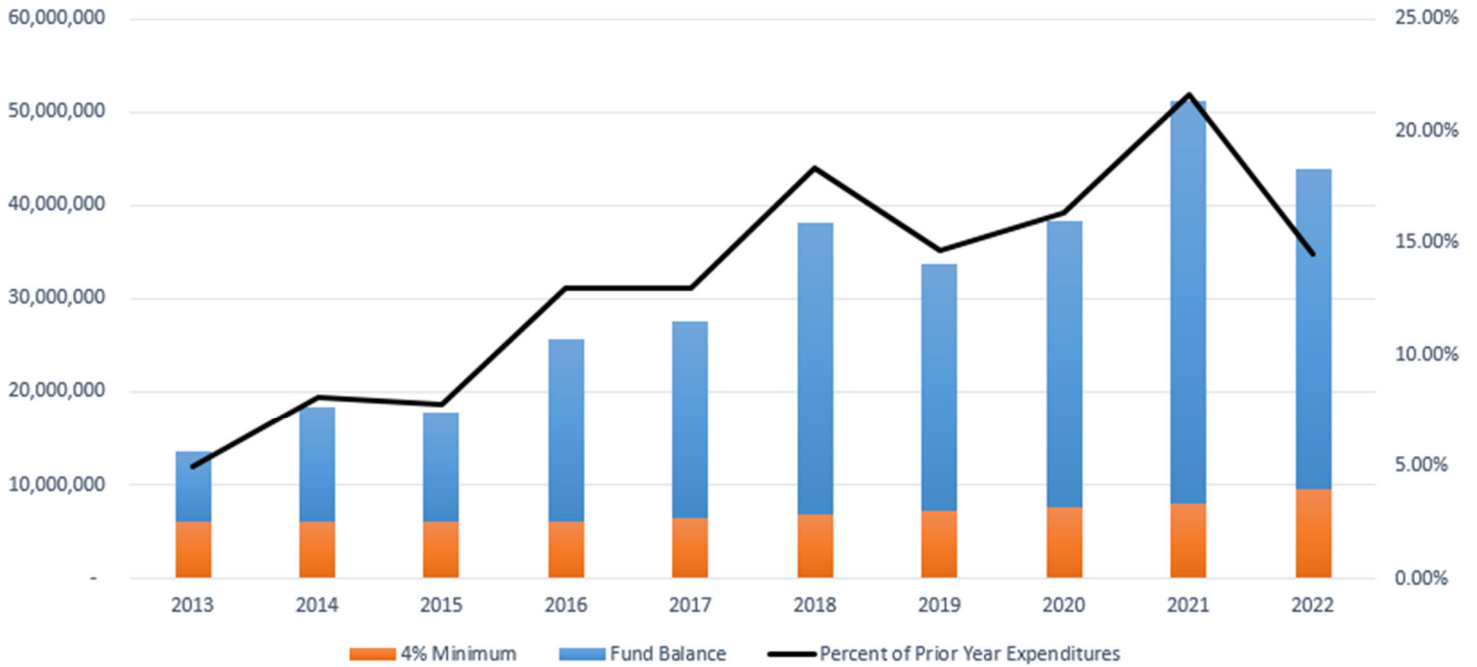
GOVERNMENTAL ACTIVITIES EXPENSES HIGHLIGHTS

- Most governmental functions experienced an increase in overall expenses, primarily due to higher salaries and wages from regularly scheduled merit increases and adjustments for compensated absences accruals. The City also experienced higher employee benefits as contributions to the State of Nevada’s Public Employees Retirement System are based on salaries and wages. A decrease in overall expenses is reported due to the large decrease in the net pension liability and other post-employment benefits.
- The 8% decrease in expenses for the general government function is the net difference of increased salaries, benefits and number of employees at the City of Reno and the change in pension and OPEB valuation.



GENERAL FUND

GENERAL FUND HISTORICAL FUND BALANCE

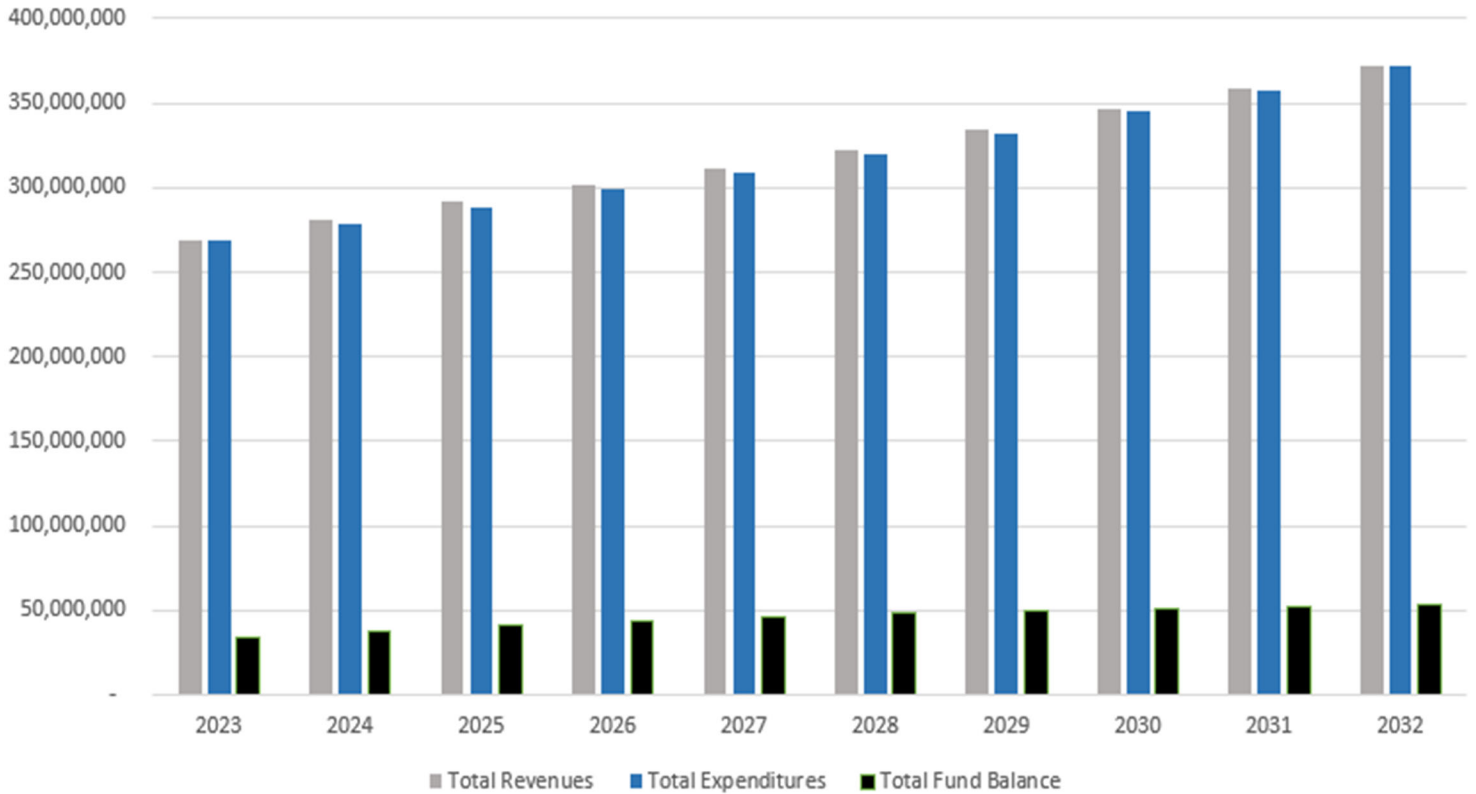


The primary operating fund of the City is the General Fund. At the end of the fiscal year presented, its fund balance was \$41.3 million, a decrease of 19.57% over the previous fiscal year. The lower fund balance is due to the timing of the receipt of federal stimulus funds, increased salary and benefits for City employees; transfers to capital improvement funds for existing projects; netted against higher than anticipated consolidated tax revenues, property tax revenues, and business licensing activity. One of the City’s goals is to maintain a reserve in the general fund between 8.30% and 25.00% of the prior fiscal year’s total operating expenditures. As of June 30, 2022, this calculation yielded a 14.96%.



GENERAL FUND

GENERAL FUND 10-YEAR FORECAST

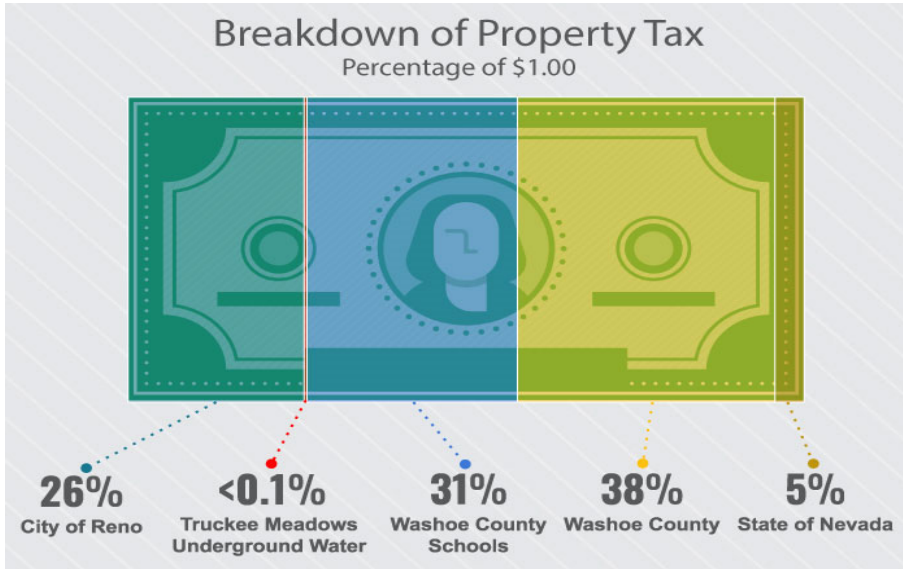


As part of a resilient budget strategy, two key financial planning tools have been developed. A ten-year financial forecast to better project future resource needs, identify areas of concern and adjust operating programs to meet available resources is maintained. Second, a 20+ year history is maintained that tracks significant data points that assist with future projections. Although revenues have increased over the past three years, the future is still uncertain. The influx of federal stimulus funds has bolstered revenues. High inflation and market uncertainty are major concerns and the full impact is difficult to predict. Long term planning that incorporates resilient budget practices is critical during uncertain economic times.



GENERAL FUND REVENUES

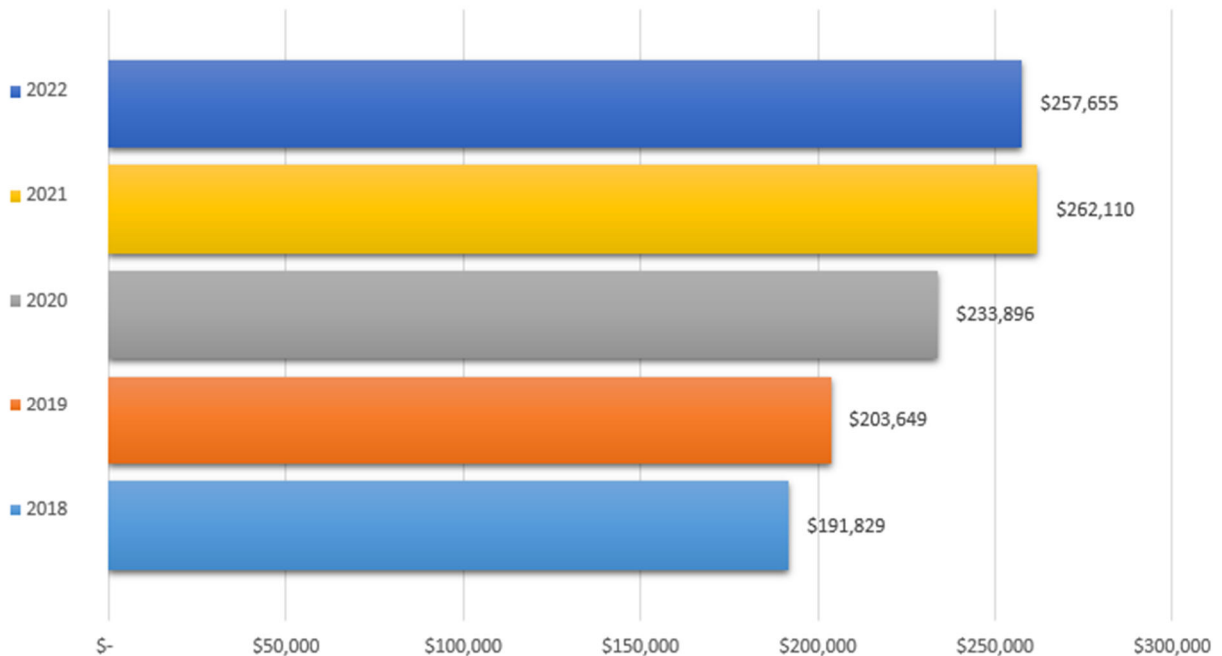
Consolidated Tax, or CTAX, and property taxes make up 62% of the revenues received in the general fund. CTAX revenues include sales and use taxes, cigarette and liquor taxes, governmental services tax and real property transfer taxes. These taxes are collected by the State, consolidated, and then distributed to the various governmental agencies based on a series of formulas developed by the Nevada Department of Taxation. Population, assessed value, and growth rates are factors used in the distribution formula.



Property Tax, or Ad Valorem, calculated as the maximum total overlapping tax rate for the City of Reno is \$3.66 per \$100 of assessed valuation. By state law, property is assessed at 35% of taxable value. The taxable value equals the replacement value of improvements, less depreciation, plus the value of the land.

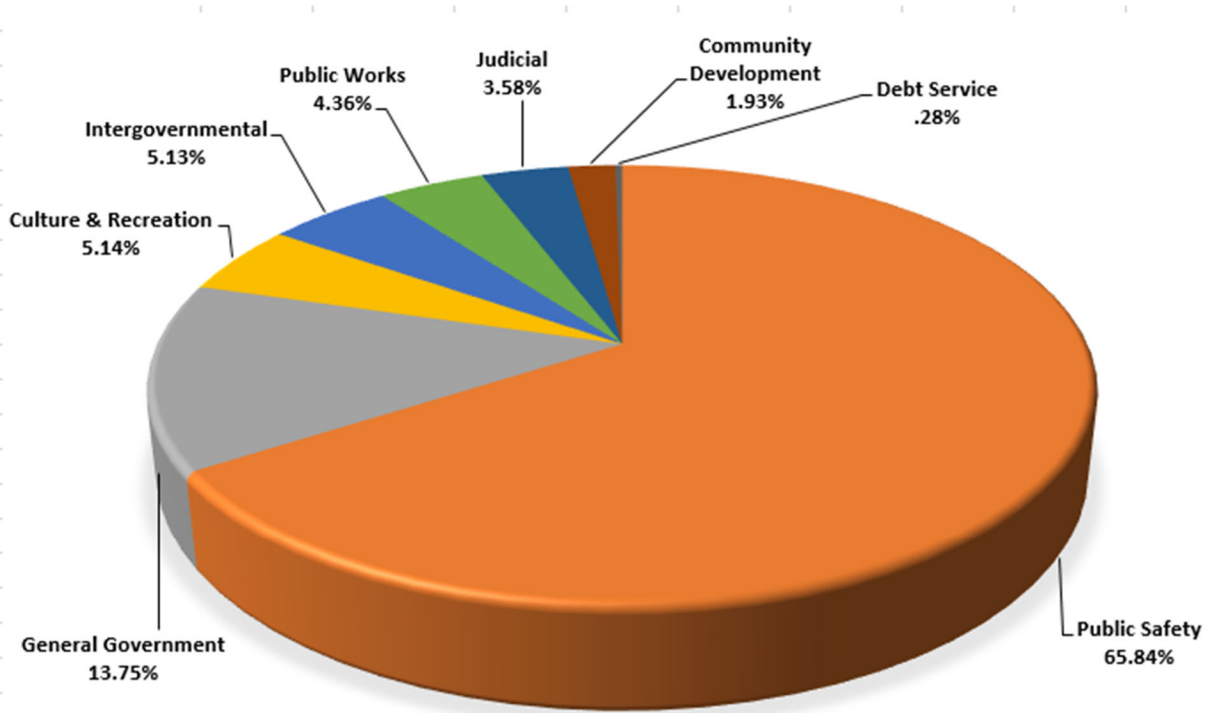
A portion of Ad Valorem also goes to the Street Fund, a special revenue fund, for neighborhood street maintenance as approved by the voters in 1994.

GENERAL FUND REVENUES (IN THOUSANDS)



GENERAL FUND

The City provides a full range of municipal services as established by statute or the City's charter. These services include public safety (police, fire, dispatch, code enforcement and building inspection), public works, public improvements, planning and zoning, community development, parks and recreation, and general administrative services. General administrative services (general government) includes City Council, City Manager, City Clerk, City Attorney, Finance, Human Resources and other administrative services necessary to keep the City operational. The majority of cost of providing these services is provided by the general fund. The largest share of services provided is Police, Fire and other public safety services.



GENERAL FUND EXPENDITURES



ENTERPRISE FUNDS

	Sanitary Sewer		Building Permit	
	2022	2021	2022	2021
Operating Revenues	\$ 76,224,743	\$ 72,973,601	\$ 12,876,889	\$ 15,556,406
Operating Expenses	54,234,693	53,257,114	11,423,430	7,374,391
Operating Income	21,990,050	19,716,487	1,453,459	8,182,015
Nonoperating Revenues (Expenses)	(10,465,358)	(7,458,119)	(961,655)	36,449
Capital Contributions	13,542,292	18,958,091	-	-
Transfers	(112,000)	(112,000)	-	-
Change in Net Position	\$ 24,954,984	\$ 31,104,459	\$ 491,804	\$ 8,218,464

Sanitary Sewer Fund

The sanitary sewer function continues to be self-supporting, with program revenues exceeding operating expenses. This allows the function to continue funding its capital needs without relying upon the issuance of debt except for the planned Stead wastewater treatment plant expansion. Sewer connection fee revenue decreased 14.4%, which is mainly due to connection fees being waived to promote low income housing. Charges for services increased by 3.45% which contributed to the increase in net position.

Building Permit Fund

The building permit function experienced a 2.32% decrease in overall building permits issued when compared to fiscal year 2021. This translated into a 17.2% decrease in charges for service in the Building Permit Fund. The decrease in charges for services also relates to waived fees to promote low income housing. Expenses were 57% higher than the previous year because additional staff had been hired to complete building inspections and reviews on a timelier basis.



DEBT

Governmental Activities	Total Outstanding As of 6/30/22	Due Within One Year
Tax Allocation Bonds	\$ 12,325,000	\$ 2,215,000
General Obligation Bonds	28,985,000	2,050,000
Revenue Bonds	310,794,930	3,055,000
Special Assessment Bonds	4,650,000	1,290,000
Direct Borrowing and Direct Placement	39,603,144	13,868,796
Total Governmental Activities	396,358,074	22,478,796
 Business-Type Activities		
Direct Borrowing and Direct Placement	64,842,284	5,595,843
 Outstanding Debt	 461,200,358	 28,074,639
Unamortized premiums and discounts	9,656,971	-
 Total Outstanding Debt	 \$ 470,857,329	 \$ 28,074,639

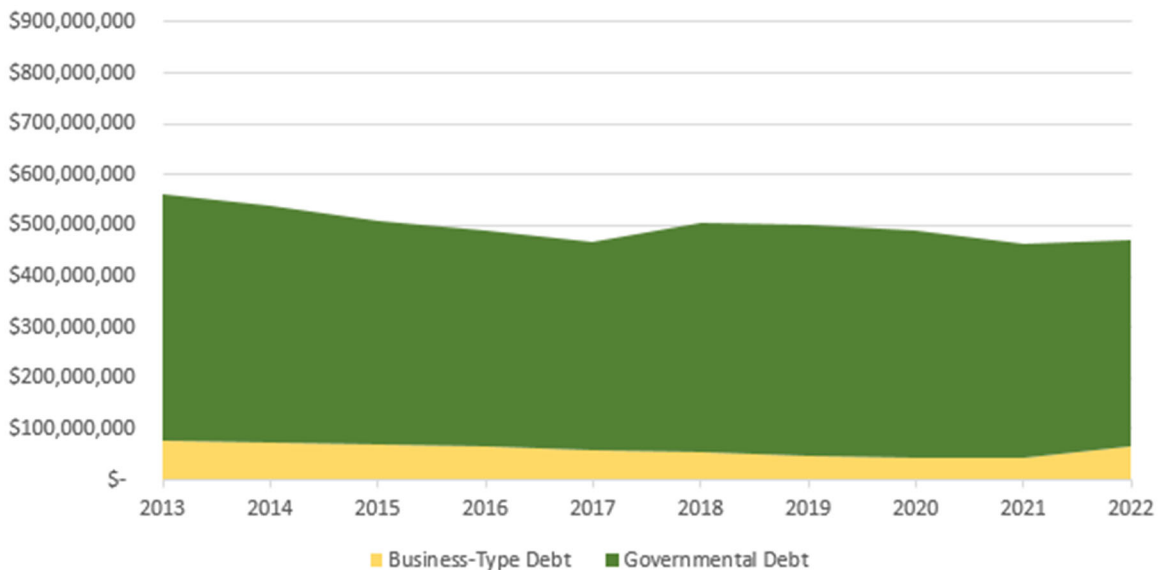
Bonds and notes payable outstanding at June 30, 2022, totaled \$470.8 million, net of premiums and discounts, a 1.32% increase when compared to the prior year. Debt for governmental activities represents 86.22% of total debt outstanding, with debt related to business type activities accounting for 13.78% of the total debt outstanding.

At June 30, 2022, the City had \$99.9 million of general obligation debt outstanding that is subject to the legal debt limit of \$1,516.7 million.

The City maintains an A1 rating from Moody's and an AA- rating from Standard and Poor's for its non-Sewer related general obligation bonds.

In the upcoming fiscal year, the City is issuing an additional \$60 million in debt to help fund two major projects. The funds will be used along with savings the City has built up over previous years to finish construction of the Moana Springs Aquatics and Fitness Center and the new Public Safety Center.

OUTSTANDING DEBT HISTORY



ARCHITECTURAL RENDERINGS OF OUR MAJOR PROJECTS



Moana Springs Aquatics and Fitness Center



Public Safety Center