



2022-23 Quarterly Financial Report 4th Quarter Ending June 30, 2023 (unaudited)

OVERVIEW

This financial report summarizes the City’s financial position for the quarter ending June 30, 2023, for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Building Enterprise Fund, Sewer Funds, Internal Service Funds, and RDA Funds. The purpose of this report is to provide City Council, City management, and the Reno community an update on the City’s fiscal status based on the most recent financial information available.

GENERAL FUND SUMMARY

Through the fourth quarter, the General Fund is performing as anticipated. The tables presented in this report include budget-to-actual comparisons between the current fiscal year and the previous fiscal year to show results of the fourth quarter compared to the adjusted budget as it stood on June 30, 2022 (unaudited). Major differences in budget-to-actual and year-over-year comparisons are explained in this report.

Revenues

Overall, total General Fund revenues are 100.3% of budget through the fiscal year. Franchise Fees and Charges for Services experienced significant year-over-year increases which filled the gap for the budget shortfall in Consolidated Tax. Fines and forfeitures have increased 9.1% over the prior year due to parking ticket fines, traffic fines, and delinquent license penalties. Some year-end accounting entries are still pending so these actuals represent the currently available data.

	2021-22			2022-23		06/30/2023	
	AMENDED	06/30/2022	% OF	AMENDED	06/30/2023	% OF	
	BUDGET	ACTUALS	BUDGET	BUDGET	(unaudited)	BUDGET	
Revenues							
Property Tax	\$ 66,329,038	\$ 65,601,314	98.9%	\$ 69,759,029	\$ 70,905,726	101.6%	
Franchise Fees	28,728,964	31,374,223	109.2%	32,480,717	42,074,293	129.5%	
Business Licenses	25,839,560	26,402,071	102.2%	27,470,521	27,524,682	100.2%	
Consolidated Tax	96,024,387	94,501,974	98.4%	101,752,502	93,449,652	91.8%	
Intergovernmental	16,476,389	15,079,391	91.5%	19,579,192	14,247,335	72.8%	
Charges for Services	14,507,249	15,282,721	105.3%	16,619,277	20,882,078	125.6%	
Fines and Forfeits	2,768,761	3,100,303	112.0%	3,685,422	3,383,688	91.8%	
Special Assessments	2,915,274	2,778,087	95.3%	3,156,763	3,033,322	96.1%	
Miscellaneous	3,150,498	3,429,462	108.9%	4,120,904	3,920,187	95.1%	
Other Financing Sources	2,986,000	2,941,238	98.5%	8,870,985	8,860,146	99.9%	
Total Revenues	\$ 259,726,120	\$ 260,490,785	100.3%	\$ 287,495,312	\$ 288,281,107	100.3%	

General Fund revenues showed year-over-year growth of 10.7%. Franchise Fees are significantly higher than the prior year due to an audit of franchise fees that recovered unpaid revenues from FY16-FY19. The increased customer rates on electric and natural gas fees as well as a very cold winter (increased usage) also resulted in higher franchise fees revenue.

Consolidated tax (CTAX) has declined due to inflation and the slowing of the economy. Fiscal years 2010/11 through 2021/22 showed steady increases, with an average increase of 7.8%. For fiscal year 2022/23, a 6% increase over the prior fiscal year was budgeted for CTAX but actually came in -8.2% under budget for the year or approximately \$8.3 million. As mentioned earlier, the increase in Franchise Fee receipts has filled in the gap in revenues caused by the decline in Consolidated Tax.

Fines and forfeitures have increased 9.1% over the prior year due to parking ticket fines and delinquent license penalties. Charges for Services increased this year due to the Fire EMS transport program and the ability to receive federal reimbursements for eligible transports. Miscellaneous revenues include reimbursements for restitution and property damage so those amounts can fluctuate from year to year depending on the reimbursements received. Other Financing Sources includes the proceeds from medium-term debt for the financing of Tasers, body cameras, and dash cameras for the Police department.

	06/30/2022 ACTUALS	06/30/2023 ACTUALS (unaudited)	% CHANGE
Property Tax	\$ 65,601,314	\$ 70,905,726	8.1%
Franchise Fees	31,374,223	42,074,293	34.1%
Business Licenses	26,402,071	27,524,682	4.3%
Consolidated Tax	94,501,974	93,449,652	-1.1%
Intergovernmental	15,079,391	14,247,335	-5.5%
Charges for Services	15,282,721	20,882,078	36.6%
Fines and Forfeits	3,100,303	3,383,688	9.1%
Special Assessments	2,778,087	3,033,322	9.2%
Miscellaneous	3,429,462	3,920,187	14.3%
Other Financing Source	2,941,238	8,860,146	201.2%
Total Revenues	\$ 260,490,785	\$ 288,281,107	10.7%



	2021-22 AMENDED BUDGET	06/30/2022 ACTUALS	% OF BUDGET	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 259,726,120	\$ 260,490,785	100.3%	\$ 287,495,312	\$ 288,281,107	100.3%
Expenditures	\$ 281,767,776	\$ 270,630,260	96.0%	\$ 296,649,716	\$ 280,262,515	94.5%

Expenditures



The table below shows the budget-to-actual expenditures for fiscal years 2021-22 (FY22) and 2022-23 (FY23) by department. In the General Fund, expenditures are 5.5% below budget as of year-end. Some year-end accounting entries are still pending so these actuals represent the currently available data. There are an estimated \$4 million of purchase orders and contracts that will be encumbered and carried forward for payment in FY23/24.

	2021-22 AMENDED BUDGET	06/30/2022 ACTUALS	% OF BUDGET	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS (unaudited)	% OF BUDGET
City Council	\$ 1,639,479	\$ 1,548,259	94.4%	\$ 1,744,159	\$ 1,714,422	98.3%
City Attorney	5,103,628	4,661,328	91.3%	5,189,933	5,197,958	100.2%
City Clerk	1,500,315	1,194,350	79.6%	1,609,546	1,392,182	86.5%
City Manager	13,181,340	10,794,097	81.9%	15,562,222	13,461,184	86.5%
Civil Service	861,119	706,240	82.0%	952,138	893,291	93.8%
Community Development	4,949,291	4,444,042	89.8%	5,538,042	5,115,582	92.4%
Finance	3,218,267	3,119,969	96.9%	2,686,840	2,571,943	95.7%
Fire	60,269,396	60,236,604	99.9%	67,923,359	66,339,071	97.7%
Human Resources	1,982,820	1,664,297	83.9%	3,447,059	2,941,034	85.3%
Information Technology	8,561,875	7,984,649	93.3%	11,586,424	10,540,368	91.0%
Municipal Court	8,709,610	8,246,819	94.7%	9,527,051	8,950,502	93.9%
Parks & Recreation	13,545,515	11,843,380	87.4%	14,930,346	14,080,740	94.3%
Police	90,982,194	91,533,649	100.6%	105,943,489	104,789,926	98.9%
Public Works	10,346,462	10,047,749	97.1%	11,178,770	10,389,939	92.9%
Debt Service	428,777	655,912	153.0%	845,701	688,457	81.4%
Intergovernmental	16,376,548	11,837,775	72.3%	23,436,905	16,648,517	71.0%
Transfers Out	40,111,140	40,111,140	100.0%	14,547,732	14,547,398	100.0%
Total Expenditures	\$ 281,767,776	\$ 270,630,260	96.0%	\$ 296,649,716	\$ 280,262,515	94.5%

OTHER GOVERNMENTAL FUNDS

In addition to the General Fund, this report summarizes the City's fourth quarter financial position for the Capital Project Funds, Special Revenue Funds, and Debt Service Funds. The tables below show budget-to-actual revenues and expenditures for fiscal years 2021-22 and 2022-23 as they stood on June 30.

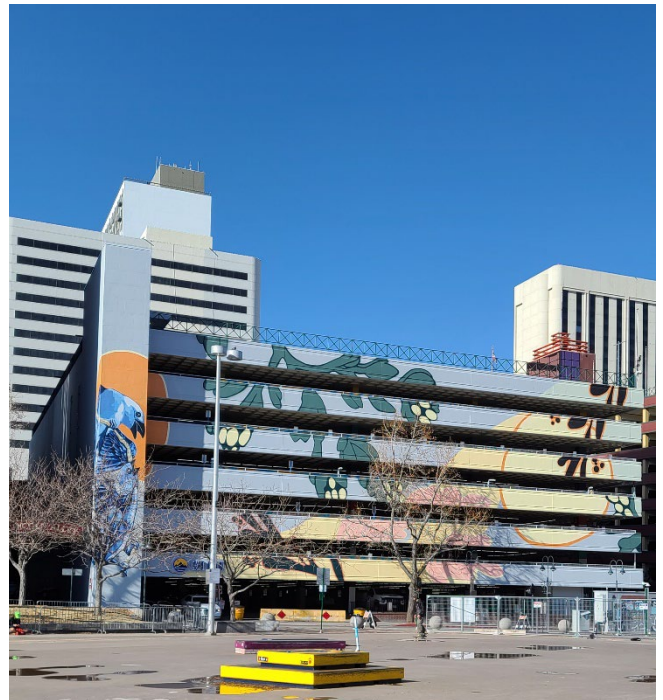
Capital Project Funds

	2021-22 AMENDED BUDGET	06/30/2022 ACTUALS	% OF BUDGET	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 85,886,895	\$ 61,377,002	71.5%	\$ 127,990,776	\$ 107,509,030	84.0%
Expenditures	\$ 118,716,062	\$ 39,319,235	33.1%	\$ 189,194,566	\$ 80,137,400	42.4%

In July, the City issued General Obligation bonds in the amount of \$60 million dollars to provide the additional funding needed to complete the Public Safety Center, Moana Springs Community Aquatic and Fitness Center and the design of a Fire Station Headquarters (Central Station).

Construction at the Public Safety Center commenced in January. The new Public Safety Center (PSC) will house RPD Headquarters with workspaces for critical social service agencies and evidence storage. Estimated completion of Phase 2 is May 2024. The total project budget is \$70 million.

In July, Council awarded the construction contract for the Moana Springs Community Aquatics and Fitness Center. The facility will be a two-level building and includes an indoor competition pool, indoor multi-use pool, outdoor heated soaking pool, multi-purpose room for classes and meetings, locker rooms on the first floor, and a fitness center on the second floor. The project is estimated to be completed summer 2024.



The old Reno Police Department location is planned for demolition upon completion of the Public Safety Center project to make way for construction of the Reno Fire Department Central Station. The Central Station will relocate fire administration from City Hall and Station #1 at 4th Street and Valley Road.

Special Revenue Funds

	2021-22 AMENDED BUDGET	06/30/2022 ACTUALS	% OF BUDGET	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 51,465,483	\$ 51,891,071	100.8%	\$ 51,471,604	\$ 53,732,771	104.4%
Expenditures	\$ 72,456,908	\$ 47,066,710	65.0%	\$ 88,072,020	\$ 56,207,221	63.8%

Special Revenue Funds account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes. The transient occupancy tax, or room tax, revenue was affected the most by COVID-19 as it is dependent on both the occupancy levels and room rates. For FY 22, Room tax receipts returned to pre-pandemic levels and continue to remain strong for the current fiscal year.

Debt Service Funds

	2021-22 AMENDED BUDGET	06/30/2022 ACTUALS	% OF BUDGET	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 24,367,994	\$ 29,497,774	121.1%	\$ 120,269,202	\$ 93,124,552	77.4%
Expenditures	\$ 31,614,524	\$ 31,473,786	99.6%	\$ 125,353,220	\$ 97,056,934	77.4%

Debt Service Funds account for the accumulation of financial resources that are restricted, committed or assigned for the repayment of debt principal and interest. The debt funds for FY23 include the proceeds from the \$60 million General Obligation Debt that was issued in July 2022. The Event Center 2013 Bonds were anticipated to be refinanced before June 30; however, the rapid increase in interest rates has postponed the refunding. The refunding of the estimated \$28 million outstanding was proposed solely due to the ability to save on interest payments when the markets are favorable to do so. The rates continue to be monitored for a favorable time to refinance in the future.

PROPRIETARY FUNDS

Proprietary funds are used to account for activities for which a user fee is charged for goods or services. The City of Reno currently operates two Enterprise Funds: the Building Enterprise Fund and the Sewer Enterprise Fund. The Building Enterprise Fund accounts for resources provided by the issuance of building permits. The Sewer Enterprise Fund accounts for the provision of sewer services and connection fee revenues restricted for capital projects.

Building Enterprise Fund

	2021-22 AMENDED BUDGET	06/30/2022 ACTUALS	% OF BUDGET	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 13,014,000	\$ 11,915,233	91.6%	\$ 12,811,000	\$ 11,107,536	86.7%
Expenditures	\$ 13,779,922	\$ 11,614,639	84.3%	\$ 15,081,458	\$ 11,920,909	79.0%

Development in the region has remained steady. The area has seen an increase of commercial construction versus residential construction. Total valuation for FY22/23 is about the same as FY21/22, with the last three years showing the highest valuation on record. A capital project to remodel building staff spaces at City Hall was anticipated but has been delayed due the size and the scope of the project.

Sewer Enterprise Funds

	2021-22 AMENDED BUDGET	06/30/2022 ACTUALS	% OF BUDGET	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 150,713,201	\$ 141,840,322	94.1%	\$ 126,612,788	\$ 106,165,435	83.9%
Expenditures	\$ 230,764,231	\$ 133,399,369	57.8%	\$ 223,991,109	\$ 101,103,552	45.1%

The Sanitary Sewer Fund accounts for the provision of sewers services and connection fee revenues restricted for capital projects. Sewer services are billed quarterly and revenues have come in as expected through the fourth quarter of the fiscal year. Sewer revenues are growing year over year because of CPI adjustments to rates and growth within the City of Reno which translates into more residential and commercial accounts that are billed each quarter.



Bond proceeds were recorded in FY22 for the sewer plant expansion project along with the corresponding expenditures. It was anticipated that a bond would be issued for the American Flats Advanced Purified Water project; however, this project had a construction delay of one year.

INTERNAL SERVICE FUNDS

Internal service funds are 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. The City of Reno operates four internal services funds. The Motor Vehicle Fund accounts for the acquisition of motor vehicles and the operations of the motor vehicle maintenance facility. The Risk Retention fund accounts for the operations of the self-funded general insurance program. The Self-funded medical plan accounts for the operations of the self-funded group health and accident insurance program. The Self-Funded Workers Compensation fund accounts for the operations of the self-funded workers compensation program.

	2021-22 AMENDED BUDGET	06/30/2022 ACTUALS	% OF BUDGET	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 52,834,523	\$ 53,686,569	101.6%	\$ 58,190,651	\$ 62,567,260	107.5%
Expenditures	\$ 66,497,588	\$ 61,479,605	92.5%	\$ 68,869,460	\$ 56,170,902	81.6%

REDEVELOPMENT AGENCY (RDA)

	2021-22 AMENDED BUDGET	06/30/2022 ACTUALS	% OF BUDGET	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS (unaudited)	% OF BUDGET
RDA 1 & RDA 2						
General Funds						
Revenues	\$ 5,042,524	\$ 4,983,309	98.8%	\$ 5,765,442	\$ 7,489,495	129.9%
Expenditures	\$ 3,409,014	\$ 2,849,753	83.6%	\$ 3,834,014	\$ 2,452,223	64.0%
Debt Funds						
Revenues	\$ 3,006,000	\$ 3,053,881	101.6%	\$ 2,868,746	\$ 2,512,403	87.6%
Expenditures	\$ 2,930,481	\$ 2,923,616	99.8%	\$ 2,933,718	\$ 2,951,376	100.6%