



2023-24 Quarterly Financial Report 1st Quarter Ending September 30, 2023 (unaudited)

OVERVIEW

This financial report summarizes the City’s financial position for the quarter ending September 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 first 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 first quarter compared to the adjusted budget as it stood on September 30, 2022 (unaudited). Major differences in budget-to-actual and year-over-year comparisons are explained in this report.

Revenues

	2022-23			2023-24		
	AMENDED	09/30/2022	% OF	AMENDED	09/30/2023	% OF
	BUDGET	ACTUALS	BUDGET	BUDGET	(unaudited)	BUDGET
Revenues						
Property Tax	\$ 69,759,029	\$ 22,580,633	32.4%	\$ 75,940,375	\$ 24,593,235	32.4%
Franchise Fees	32,480,717	4,074,487	12.5%	36,545,590	1,398,732	3.8%
Business Licenses	27,470,521	6,566,373	23.9%	29,676,441	7,534,308	25.4%
Consolidated Tax	101,752,502	8,047,287	7.9%	99,100,000	8,277,978	8.4%
Intergovernmental	19,579,192	1,927,527	9.8%	16,703,875	2,964,903	17.7%
Charges for Services	16,619,277	3,800,091	22.9%	18,483,494	5,278,157	28.6%
Fines and Forfeits	3,685,422	831,615	22.6%	3,295,000	809,522	24.6%
Special Assessments	3,156,763	1,263,462	40.0%	3,675,282	1,396,767	38.0%
Miscellaneous	4,120,904	322,549	7.8%	2,885,608	392,285	13.6%
Other Financing Sources	8,870,985	-	0.0%	3,741,000	935,250	25.0%
Total Revenues	\$ 287,495,312	\$ 49,414,024	17.2%	\$ 290,046,665	\$ 53,581,137	18.5%

The table above shows first quarter budget-to-actual revenues for fiscal years 2022-23 and 2023-24. The audit is not complete yet for FY23 but the preliminary numbers for the General Fund revenues came in overall on budget or 100.3% of budget. Of this, Property Tax increased 8.1% and Consolidated Tax decreased -1.1% over the previous year. Franchise Fees and Charges for Services experienced significant year-over-year increases which filled the gap for the budget shortfall in Consolidated Tax. The first quarter of FY23 is trending as expected for both revenues and expenditures.



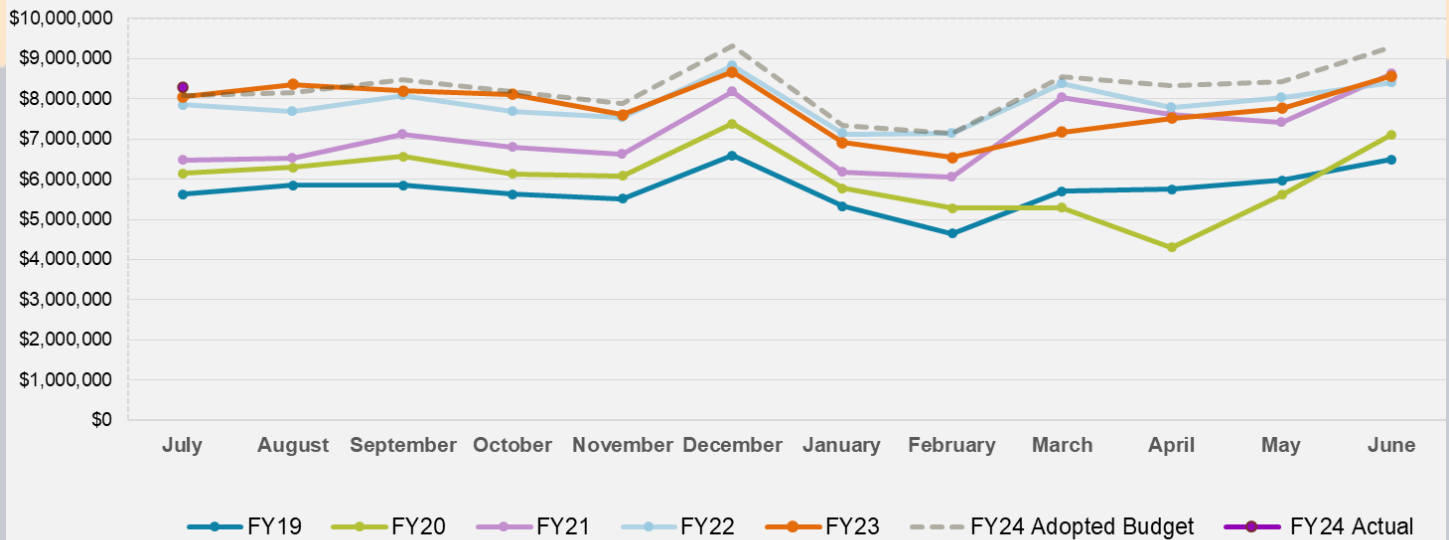
	09/30/2022 ACTUALS	09/30/2023 ACTUALS (unaudited)	% CHANGE
Property Tax	\$ 22,580,633	\$ 24,593,235	8.9%
Franchise Fees	4,074,487	1,398,732	-65.7%
Business Licenses	6,566,373	7,534,308	14.7%
Consolidated Tax	8,047,287	8,277,978	2.9%
Intergovernmental	1,927,527	2,964,903	53.8%
Charges for Services	3,800,091	5,278,157	38.9%
Fines and Forfeits	831,615	809,522	-2.7%
Special Assessments	1,263,462	1,396,767	10.6%
Miscellaneous	322,549	392,285	21.6%
Other Financing Source	-	935,250	
Total Revenues	\$ 49,414,024	\$ 53,581,137	8.4%

Total revenues are at 18.5% of budget through the first quarter of the fiscal year. Franchise Fees are less than the prior year due to an audit of franchise fees that recovered unpaid revenues in FY2022/23.

Consolidated tax (CTAX) has declined back to the FY2021/22 level. Rising interest rates and looming concerns of recession have changed consumer spending. The City anticipated this decline and dialed back the total projected budget to accommodate for the decline. For this reason, growth over prior year actuals is 2.9% for CTAX with the July payment received. CTAX receipts trend two months behind so as of September, only one month of CTAX (July) has been received for the fiscal year.

Timing differences in revenue receipts occur in categories of intergovernmental, charge for services, and other financing sources. These can include grant receipts, fire strike team reimbursements, and recording of indirect cost allocations. These differences will smooth out as the year progresses. Overall, revenues are 8.4% higher than the same quarter last year.

Consolidated Tax (CTAX) History



	2022-23 AMENDED BUDGET	09/30/2022 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 287,495,312	\$ 49,414,024	17.2%	\$ 290,046,665	\$ 53,581,137	18.5%
Expenditures	\$ 296,649,716	\$ 56,568,505	19.1%	\$ 289,062,214	\$ 63,526,808	22.0%

Expenditures

The table below shows the budget-to-actual expenditures for fiscal years 2022-23 (FY23) and 2023-24 (FY24) by department. In the General Fund, expenditures are 22.0% expended as compared to budget. Department expenditures are trending as anticipated. The Information Technology Department has software maintenance contracts that are paid at the beginning of the year, so their first quarter expenses are trending higher at 31.2%. Timing differences in expenditures occur in various other categories of debt service, intergovernmental, and transfers. These can



include timing of debt payments, retiree benefits, and transfers to capital funds. Public Safety Dispatch services have been included in the Police totals below for year over year comparison purposes.

	2022-23 AMENDED BUDGET	09/30/2022 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS (unaudited)	% OF BUDGET
City Council	\$ 1,744,159	\$ 341,260	19.6%	\$ 1,929,061	\$ 404,049	20.9%
City Attorney	5,189,933	1,188,691	22.9%	5,717,825	1,226,277	21.4%
City Clerk	1,609,546	303,958	18.9%	1,862,523	347,953	18.7%
City Manager	15,562,222	2,141,976	13.8%	15,139,307	3,540,719	23.4%
Civil Service	952,138	199,373	20.9%	1,023,848	213,123	20.8%
Community Development	5,538,042	1,092,222	19.7%	5,671,748	1,306,618	23.0%
Finance	2,686,840	558,142	20.8%	2,973,672	590,469	19.9%
Fire	67,923,359	14,796,791	21.8%	68,732,869	16,189,394	23.6%
Human Resources	3,447,059	511,509	14.8%	3,246,660	685,520	21.1%
Information Technology	11,586,424	3,389,049	29.3%	10,488,899	3,277,235	31.2%
Municipal Court	9,527,051	1,999,821	21.0%	9,806,055	2,065,618	21.1%
Parks & Recreation	14,930,346	3,231,373	21.6%	15,616,319	3,290,938	21.1%
Police	105,943,489	22,864,723	21.6%	108,432,617	24,278,219	22.4%
Public Works	11,178,770	2,336,408	20.9%	10,202,388	2,350,837	23.0%
Debt Service	845,701	-	0.0%	605,701	-	0.0%
Intergovernmental	23,436,905	1,613,210	6.9%	14,106,217	1,647,338	11.7%
Transfers Out	14,547,732	-	0.0%	13,506,505	2,112,500	15.6%
Total Expenditures	\$ 296,649,716	\$ 56,568,505	19.1%	\$ 289,062,214	\$ 63,526,808	22.0%

OTHER GOVERNMENTAL FUNDS

In addition to the General Fund, this report summarizes the City's first 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 2022-23 and 2023-24 as they stood on September 30.

Capital Project Funds

	2022-23			2023-24		
	AMENDED BUDGET	09/30/2022 ACTUALS	% OF BUDGET	AMENDED BUDGET	09/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 127,990,776	\$ 5,677,557	4.4%	\$ 12,979,844	\$ 8,017,914	61.8%
Expenditures	\$ 189,194,566	\$ 9,532,563	5.0%	\$ 14,721,521	\$ 15,048,967	102.2%

Construction of the Public Safety Center is well underway and has moved into the second and final stage of construction. The new Public Safety Center (PSC) will house the Reno Police Department (RPD) Headquarters with workspaces for critical social service agencies and evidence storage. Estimated completion is June 2024. The total project budget is \$70 million. Funding for this project is from several sources including General Obligation Bonds, General Capital Improvement Funds, and Pennington Foundation Pledge.

The construction of the Moana Springs Community Aquatics and Fitness Center is also well underway. 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

	2022-23			2023-24		
	AMENDED BUDGET	09/30/2022 ACTUALS	% OF BUDGET	AMENDED BUDGET	09/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 51,471,604	\$ 11,529,111	22.4%	\$ 49,741,717	\$ 12,039,716	24.2%
Expenditures	\$ 88,072,020	\$ 12,110,333	13.8%	\$ 67,995,445	\$ 9,642,459	14.2%

Special Revenue Funds account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes. These include Room Tax, Street Fund, Community Development Block Grants (CDBG), Housing Funds, Forfeiture Funds, Court Funds and other revenue from legally restricted sources.

The transient occupancy tax, or room tax, revenue has been strong for the past year and reflects the tourism and events occurring in the local area.



Debt Service Funds

	2022-23 AMENDED BUDGET	09/30/2022 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 120,269,202	\$ 66,340,734	55.2%	\$ 35,948,000	\$ 3,673,068	10.2%
Expenditures	\$ 125,353,220	\$ 6,357,271	5.1%	\$ 28,229,713	\$ 6,365,830	22.6%

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.



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

	2022-23 AMENDED BUDGET	09/30/2022 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 12,811,000	\$ 2,527,441	19.7%	\$ 12,175,000	\$ 2,512,036	20.6%
Expenditures	\$ 15,081,458	\$ 2,623,719	17.4%	\$ 17,148,538	\$ 3,218,937	18.8%

Development activity in Reno remains strong. Residential construction has slowed but new commercial construction activity has increased. Total valuation remains high due to the complexity of projects being submitted.

Sewer Enterprise Funds

	2022-23 AMENDED BUDGET	09/30/2022 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 126,612,788	\$ 23,295,111	18.4%	\$ 99,438,887	\$ 21,360,702	21.5%
Expenditures	\$ 223,991,109	\$ 17,744,762	7.9%	\$ 181,093,264	\$ 13,647,720	7.5%

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 first 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 FY23 for the sewer plant expansion project along with the corresponding expenditures.

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.

	2022-23 AMENDED BUDGET	09/30/2022 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 58,190,651	\$ 14,051,559	24.1%	\$ 56,301,531	\$ 14,552,278	25.8%
Expenditures	\$ 68,869,460	\$ 9,963,594	14.5%	\$ 65,365,909	\$ 17,109,980	26.2%

REDEVELOPMENT AGENCY (RDA)

	2022-23 AMENDED BUDGET	09/30/2022 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS (unaudited)	% OF BUDGET
RDA 1 & RDA 2						
General Funds						
Revenues	\$ 5,765,442	\$ 2,482,711	43.1%	\$ 6,966,088	\$ 2,652,136	38.1%
Expenditures	\$ 3,834,014	\$ 606,489	15.8%	\$ 12,691,341	\$ 201,675	1.6%
Debt Funds						
Revenues	\$ 2,868,746	\$ 822,044	28.7%	\$ 2,952,000	\$ 1,278,680	43.3%
Expenditures	\$ 2,933,718	\$ 1,385	0.0%	\$ 2,928,177	\$ 1,385	0.0%