



2023-24 Quarterly Financial Report

3rd Quarter Ending March 31, 2024 (unaudited)

OVERVIEW

This financial report summarizes the City’s financial position for the quarter ending March 31, 2024, 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 the City Council, City management, and the Reno community with an update on the City’s fiscal status based on the most recent financial information available.

GENERAL FUND SUMMARY

Through the third 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 third quarter compared to the adjusted budget as it stood on March 31, 2024 (unaudited). Major differences in budget-to-actual and year-over-year comparisons are explained in this report.

Revenues

The table below shows third quarter budget-to-actual revenues for fiscal years 2022-23 and 2023-24. Overall, total General Fund revenues are 71.5% of budget through the third quarter of the fiscal year. The economic outlook continues to be uncertain as inflation remains higher than the 2% target. It is anticipated that interest rates will remain high through the end of the calendar year and that the economy will remain fairly slow.

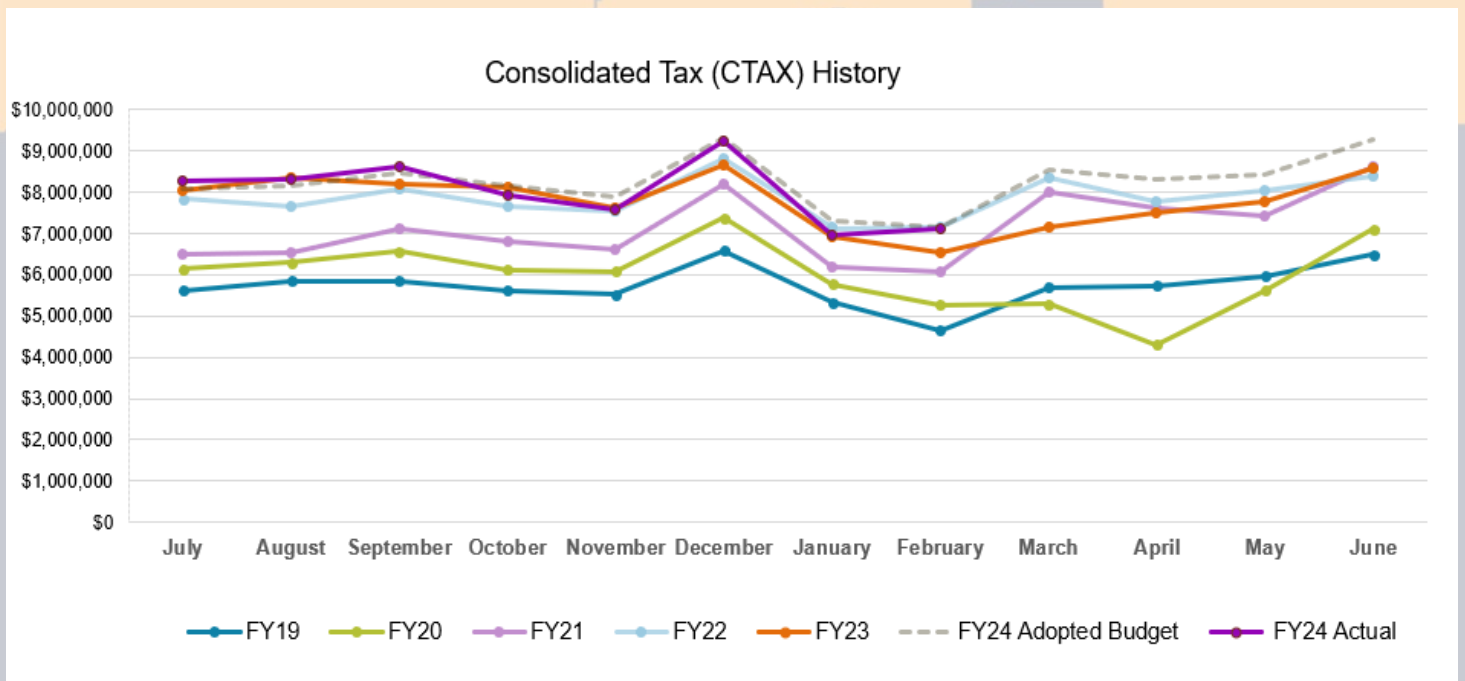
	2022-23			2023-24		
	AMENDED	03/31/2023	% OF	AMENDED	03/31/2024	% OF
	BUDGET	ACTUALS	BUDGET	BUDGET	ACTUALS (unaudited)	BUDGET
Revenues						
Property Tax	\$ 69,759,029	\$ 65,928,422	94.5%	\$ 75,940,375	\$ 72,314,033	95.2%
Franchise Fees	32,480,717	23,451,462	72.2%	36,545,590	20,109,840	55.0%
Business Licenses	27,470,521	20,920,780	76.2%	29,676,441	22,348,139	75.3%
Consolidated Tax	101,752,502	55,887,553	54.9%	99,100,000	56,941,024	57.5%
Intergovernmental	19,579,192	9,637,417	49.2%	19,747,983	9,106,931	46.1%
Charges for Services	16,619,277	12,651,949	76.1%	19,387,949	18,192,245	93.8%
Fines and Forfeits	3,685,422	2,641,502	71.7%	3,295,000	2,472,305	75.0%
Special Assessments	3,156,763	2,998,634	95.0%	3,675,282	3,540,511	96.3%
Miscellaneous	4,120,904	2,937,126	71.3%	4,505,923	2,776,376	61.6%
Other Financing Sources	8,870,985	8,131,146	91.7%	3,766,000	3,678,645	97.7%
Total Revenues	\$ 287,495,312	\$ 205,185,991	71.4%	\$ 295,640,543	\$ 211,480,048	71.5%

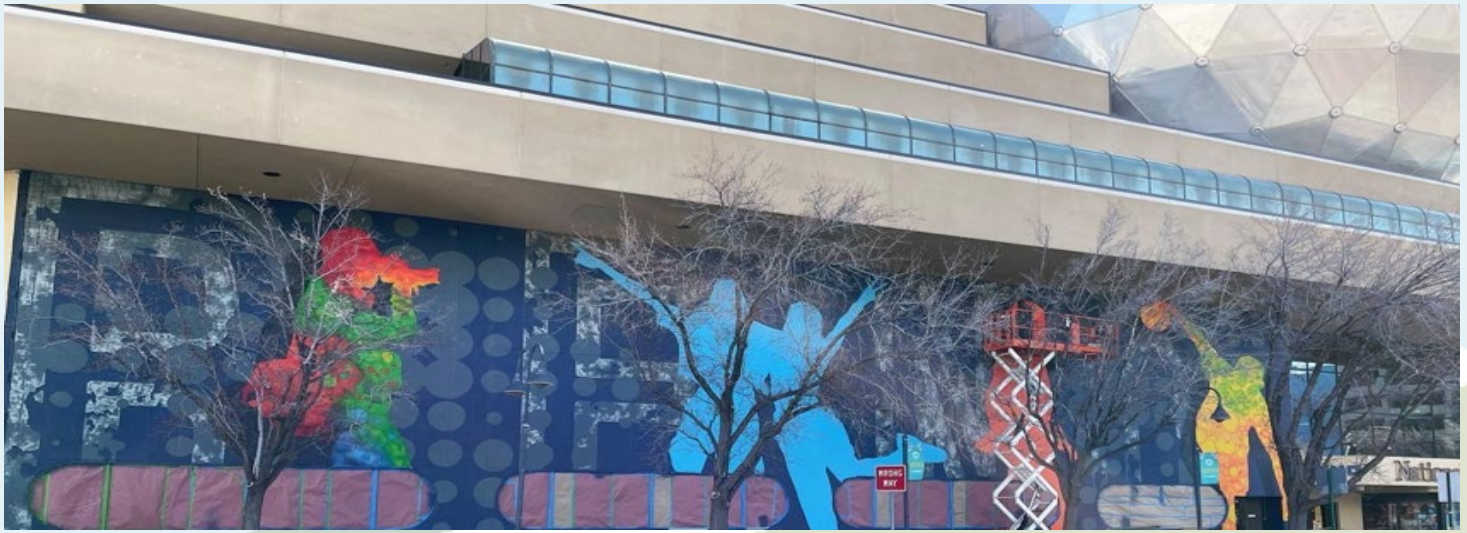
	03/31/2023 ACTUALS	03/31/2024 ACTUALS (unaudited)	% CHANGE
Property Tax	\$ 65,928,422	\$ 72,314,033	9.7%
Franchise Fees	23,451,462	20,109,840	-14.2%
Business Licenses	20,920,780	22,348,139	6.8%
Consolidated Tax	55,887,553	56,941,024	1.9%
Intergovernmental	9,637,417	9,106,931	-5.5%
Charges for Services	12,651,949	18,192,245	43.8%
Fines and Forfeits	2,641,502	2,472,305	-6.4%
Special Assessments	2,998,634	3,540,511	18.1%
Miscellaneous	2,937,126	2,776,376	-5.5%
Other Financing Source	8,131,146	3,678,645	-54.8%
Total Revenues	\$ 205,185,991	\$ 211,480,048	3.1%



Total revenues are at 71.5% of the budget through the third 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. Timing differences in revenue receipts occur in categories of franchise fees, 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 3.1% higher than in the same quarter last year.

Consolidated tax (CTAX) has declined back to the FY2021/22 level. This was anticipated during the budget process as the current year budget is less than the FY2022/23 budget. CTAX is trending 0.8% below budget or within \$500,000 of budget. The development of the FY2024/25 budget estimates that CTAX will be under budget by 1% for the current year or approximately \$1 million. This would result in a 5% growth rate over FY2022/23 and for FY2024/25 a 4% growth rate has been used for the budget. With inflation remaining higher than anticipated, interest rates will likely remain higher for longer than initially anticipated.





	2022-23 AMENDED BUDGET	03/31/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	03/31/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 287,495,312	\$ 205,185,991	71.4%	\$ 295,640,543	\$ 211,480,048	71.5%
Expenditures	\$ 296,649,716	\$ 197,988,712	66.7%	\$ 313,587,226	\$ 207,256,028	66.1%

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 66.1% expended as compared to budget. Department expenditures are trending as anticipated. 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	03/31/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	03/31/2024 ACTUALS (unaudited)	% OF BUDGET
City Council	\$ 1,744,159	\$ 1,164,144	66.7%	\$ 1,919,511	\$ 1,437,769	74.9%
City Attorney	5,189,933	3,784,708	72.9%	5,717,825	3,985,009	69.7%
City Clerk	1,609,546	1,042,956	64.8%	1,862,523	1,043,012	56.0%
City Manager	15,562,222	9,342,119	60.0%	15,127,423	10,712,664	70.8%
Civil Service	952,138	648,581	68.1%	1,023,848	688,209	67.2%
Community Development	5,538,042	3,558,909	64.3%	7,085,158	5,185,833	73.2%
Finance	2,686,840	1,836,862	68.4%	2,973,672	2,018,796	67.9%
Fire	67,923,359	46,747,226	68.8%	71,731,008	51,165,166	71.3%
Human Resources	3,447,059	1,933,962	56.1%	3,318,607	2,192,938	66.1%
Information Technology	11,586,424	8,201,868	70.8%	13,996,101	8,125,433	58.1%
Municipal Court	9,527,051	6,353,000	66.7%	10,189,374	7,050,070	69.2%
Parks & Recreation	14,930,346	10,194,209	68.3%	16,266,948	10,347,910	63.6%
Police	105,943,489	78,054,531	73.7%	114,413,269	77,947,091	68.1%
Public Works	11,178,770	7,276,061	65.1%	10,280,866	6,748,704	65.6%
Debt Service	845,701	688,457	81.4%	605,701	605,701	100.0%
Intergovernmental	23,436,905	9,594,041	40.9%	19,147,696	9,916,123	51.8%
Transfers Out	14,547,732	7,567,078	52.0%	17,927,696	8,085,599	45.1%
Total Expenditures	\$ 296,649,716	\$ 197,988,712	66.7%	\$ 313,587,226	\$ 207,256,028	66.1%

OTHER GOVERNMENTAL FUNDS

In addition to the General Fund, this report summarizes the City's third 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 March 31.

Capital Project Funds

	2022-23			% OF BUDGET	2023-24		
	AMENDED BUDGET	03/31/2023 ACTUALS			AMENDED BUDGET	03/31/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 127,990,776	\$ 80,590,770	63.0%	\$ 30,465,947	\$ 17,389,026	57.1%	
Expenditures	\$ 189,194,566	\$ 42,243,396	22.3%	\$ 122,039,096	\$ 64,666,225	53.0%	

The construction of the Moana Springs Community Aquatics and Fitness Center is 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 in late summer 2024.

Construction of the Public Safety Center is also 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 late summer 2024. Funding for this project is from several sources including General Obligation Bonds, General Capital Improvement Funds, and Pennington Foundation Pledge.

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			% OF BUDGET	2023-24		
	AMENDED BUDGET	03/31/2023 ACTUALS			AMENDED BUDGET	03/31/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 51,471,604	\$ 38,195,824	74.2%	\$ 49,776,717	\$ 38,569,565	77.5%	
Expenditures	\$ 88,072,020	\$ 39,984,965	45.4%	\$ 93,564,944	\$ 34,908,145	37.3%	



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 consistent for the past year and reflects the tourism and events occurring in the local area.

Debt Service Funds

	2022-23 AMENDED BUDGET	03/31/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	03/31/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 120,269,202	\$ 79,500,855	66.1%	\$ 35,948,000	\$ 18,430,332	51.3%
Expenditures	\$ 125,353,220	\$ 79,467,605	63.4%	\$ 28,229,713	\$ 16,183,249	57.3%

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. A portion of this debt was used to fund the PSC shown below in progress.



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	03/31/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	03/31/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 12,811,000	\$ 7,573,442	59.1%	\$ 12,175,000	\$ 7,578,189	62.2%
Expenditures	\$ 15,081,458	\$ 8,737,925	57.9%	\$ 18,184,556	\$ 10,735,402	59.0%

Sewer Enterprise Funds

	2022-23 AMENDED BUDGET	03/31/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	03/31/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 126,612,788	\$ 74,449,986	58.8%	\$ 99,469,719	\$ 73,327,458	73.7%
Expenditures	\$ 223,991,109	\$ 73,385,212	32.8%	\$ 242,967,005	\$ 54,485,418	22.4%

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 third 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	03/31/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	03/31/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 58,190,651	\$ 43,235,409	74.3%	\$ 61,421,674	\$ 57,866,721	94.2%
Expenditures	\$ 68,869,460	\$ 39,039,901	56.7%	\$ 79,183,597	\$ 54,834,587	69.2%

REDEVELOPMENT AGENCY (RDA)

	2022-23 AMENDED BUDGET	03/31/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	03/31/2024 ACTUALS (unaudited)	% OF BUDGET
RDA 1 & RDA 2						
General Funds						
Revenues	\$ 5,765,442	\$ 6,656,940	115.5%	\$ 6,966,088	\$ 8,294,850	119.1%
Expenditures	\$ 3,834,014	\$ 1,604,565	41.9%	\$ 12,691,341	\$ 1,516,450	11.9%
Debt Funds						
Revenues	\$ 2,868,746	\$ 2,345,246	81.8%	\$ 2,952,000	\$ 3,633,531	123.1%
Expenditures	\$ 2,933,718	\$ 360,128	12.3%	\$ 2,928,177	\$ 320,854	11.0%