



2023-24 Quarterly Financial Report 4th Quarter Ending June 30, 2024 (unaudited)

OVERVIEW

This financial report summarizes the City’s financial position for the quarter ending June 30, 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 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

Revenues

	2022-23			2023-24		
	AMENDED	06/30/2023	% OF	AMENDED	06/30/2024	% OF
	BUDGET	ACTUALS	BUDGET	BUDGET	ACTUALS (unaudited)	BUDGET
Revenues						
Property Tax	\$ 69,759,029	\$ 70,905,726	101.6%	\$ 75,940,375	\$ 77,160,511	101.6%
Franchise Fees	32,480,717	40,033,364	123.3%	36,545,590	37,291,000	102.0%
Business Licenses	27,470,521	28,723,619	104.6%	29,676,441	29,219,728	98.5%
Consolidated Tax	101,752,502	93,449,652	91.8%	99,100,000	96,359,148	97.2%
Intergovernmental	19,579,192	14,524,504	74.2%	26,603,087	20,317,412	76.4%
Charges for Services	16,619,277	20,807,805	125.2%	21,349,922	23,696,236	111.0%
Fines and Forfeits	3,685,422	3,383,688	91.8%	3,295,000	3,258,205	98.9%
Special Assessments	3,156,763	3,033,322	96.1%	3,675,282	3,587,222	97.6%
Miscellaneous	4,120,904	3,538,131	85.9%	3,755,285	4,650,804	123.8%
Other Financing Sources	8,870,985	8,860,146	99.9%	4,744,097	4,768,356	100.5%
Total Revenues	\$ 287,495,312	\$ 287,259,955	99.9%	\$ 304,685,079	\$ 300,308,621	98.6%

Through the final 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, 2024 (unaudited). Major differences in budget-to-actual and year-over-year comparisons are explained in this report. Final entries to close out the books for FY24 are underway so the information presented is accurate to date; however, all final entries have not been captured for this report.

The table above shows fourth quarter budget-to-actual revenues for fiscal years 2022-23 and 2023-24. The audit is not complete yet for FY24 but the preliminary numbers for the General Fund revenues came in overall on budget or 98.6% of budget. Of this, Property Tax increased 8.8% and Consolidated Tax increased 3.1% over the previous year. Property Tax has increased steadily over the last few years due to the continued growth of the area. Consolidated Tax grew rapidly

during the FY21 and FY22 timeframe by 19% and 10% respectively. This was due to the large influx of economic stimulus funds that entered the economy during and following the Covid-19 pandemic.

In FY23, Consolidated Tax declined by -1.1% due to several factors including the reset of spending habits following the pandemic, the increased inflation and subsequent interest rates, overall consumer confidence in the economy, and recession concerns.

For this year, Consolidated Tax increased by 3.1% as consumer confidence grew and recession worries quieted. The flattening of Consolidated Tax revenues and now the slight growth attained in FY24 are predictive of the return to a more normal growth cycle that trends with population growth. Overall, total revenues grew by 4.5% over FY23.

	06/30/2023 ACTUALS	06/30/2024 ACTUALS (unaudited)	% CHANGE
Property Tax	\$ 70,905,726	\$ 77,160,511	8.8%
Franchise Fees	40,033,364	37,291,000	-6.9%
Business Licenses	28,723,619	29,219,728	1.7%
Consolidated Tax	93,449,652	96,359,148	3.1%
Intergovernmental	14,524,504	20,317,412	39.9%
Charges for Services	20,807,805	23,696,236	13.9%
Fines and Forfeits	3,383,688	3,258,205	-3.7%
Special Assessments	3,033,322	3,587,222	18.3%
Miscellaneous	3,538,131	4,650,804	31.4%
Other Financing Source	8,860,146	4,768,356	-46.2%
Total Revenues	\$ 287,259,955	\$ 300,308,621	4.5%



Charges for Services experienced a significant year-over-year increase of 13.9% with increased revenue from the Sierra Kids program offered by the Parks Department. These programs were expanded to include new schools and additional youth camps during break times.

Franchise fees are less than the prior year due to an audit of franchise fees that recovered one-time revenues in FY23. Business Licenses showed growth of 1.7% and fines and forfeits declined by -3.7%. Fines and forfeits include parking tickets, traffic fines, and delinquent license penalties. Intergovernmental

income increased due to additional one-time grant funds received in FY24. Miscellaneous income includes earnings on investments and property sales which can vary year over year.



	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	06/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 287,495,312	\$ 287,259,955	99.9%	\$ 304,685,079	\$ 300,308,621	98.6%
Expenditures	\$ 296,649,716	\$ 280,376,402	94.5%	\$ 318,294,450	\$ 293,236,642	92.1%

Expenditures

The table below shows the budget-to-actual expenditures for fiscal years 2022-23 (FY23) and 2023-24 (FY24) by department. Total expenditures are 92.1% of budget. Salaries and wages expense increased by 6.6% year over year and employee benefits increased 6.9%. Encumbrances of approximately \$4 million will be carried forward to FY25. Encumbrances include outstanding contracts and purchase orders not completed by June 30.

Public Safety Dispatch services have been included in the Police totals below for year over year comparison purposes. Final entries to close out the books for FY24 are underway so the information presented is accurate to date; however, all final entries have not been captured for this report.

	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	06/30/2024 ACTUALS (unaudited)	% OF BUDGET
City Council	\$ 1,744,159	\$ 1,714,703	98.3%	\$ 1,896,511	\$ 1,928,332	101.7%
City Attorney	5,189,933	5,197,958	100.2%	5,717,825	5,479,205	95.8%
City Clerk	1,609,546	1,392,880	86.5%	1,862,523	1,572,832	84.4%
City Manager	15,562,222	13,478,532	86.6%	16,773,593	14,442,976	86.1%
Civil Service	952,138	894,393	93.9%	1,023,848	985,824	96.3%
Development Services	5,538,042	5,115,582	92.4%	7,204,917	6,808,432	94.5%
Finance	2,686,840	2,571,943	95.7%	2,973,672	2,760,957	92.8%
Fire	67,923,359	66,339,071	97.7%	74,221,088	71,940,143	96.9%
Human Resources	3,447,059	2,970,376	86.2%	3,393,607	3,173,489	93.5%
Information Technology	11,586,424	10,540,587	91.0%	12,739,454	10,707,872	84.1%
Municipal Court	9,527,051	8,950,683	94.0%	10,338,854	9,997,045	96.7%
Parks & Recreation	14,930,346	14,082,359	94.3%	16,814,920	14,762,498	87.8%
Police	105,943,489	104,799,090	98.9%	115,193,862	106,861,030	92.8%
Public Works	11,178,770	10,401,390	93.0%	10,285,466	9,502,731	92.4%
Debt Service	845,701	688,457	81.4%	605,701	605,701	100.0%
Intergovernmental	23,436,905	16,690,998	71.2%	18,545,913	13,004,879	70.1%
Transfers Out	14,547,732	14,547,398	100.0%	18,702,696	18,702,696	100.0%
Total Expenditures	\$ 296,649,716	\$ 280,376,402	94.5%	\$ 318,294,450	\$ 293,236,642	92.1%



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 2022-23 and 2023-24 as they stood on June 30.

Capital Project Funds

	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	06/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 127,990,776	\$ 110,631,955	86.4%	\$ 51,601,324	\$ 28,239,802	54.7%
Expenditures	\$ 189,194,566	\$ 80,696,981	42.7%	\$ 143,788,387	\$ 86,461,516	60.1%

Construction of both the Public Safety Center and the Moana Springs Community Aquatics and Fitness Center moved to the final stages 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.

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.

The Moana Springs Community Aquatics and Fitness Center is 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.

Artist Michele Gutlove was awarded the commission for artwork in the new Moana Springs facility after a year-long community process. The exterior and interior art are inspired by the setting, nestled within view of several mountain ranges. The art will be unique in its place, with the actual mountain ranges interpreted into glass, stainless, steel, and light, according to Gutlove's project proposal.



Both facilities, the Public Safety Center and the Moana Springs Aquatics and Fitness Center will open in August.

Special Revenue Funds

	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	06/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 51,471,604	\$ 53,931,203	104.8%	\$ 50,693,677	\$ 49,620,509	97.9%
Expenditures	\$ 88,072,020	\$ 56,425,983	64.1%	\$ 94,481,904	\$ 52,073,295	55.1%

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.

As a Special Revenue Fund, the Street Fund provides dedicated annual preventative maintenance funding to maintain City of Reno owned streets and parking lots through rapid set slurry sealing, mill and overlay operations, pavement patching, replacing pedestrian ramps, and placing pavement markings. This year focused on projects in the Northwest, Verdi, Stead, Northeast, and Southeast Reno.



Debt Service Funds

	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	06/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 120,269,202	\$ 95,938,448	79.8%	\$ 35,948,000	\$ 32,146,911	89.4%
Expenditures	\$ 125,353,220	\$ 97,056,934	77.4%	\$ 34,913,973	\$ 34,373,328	98.5%

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.

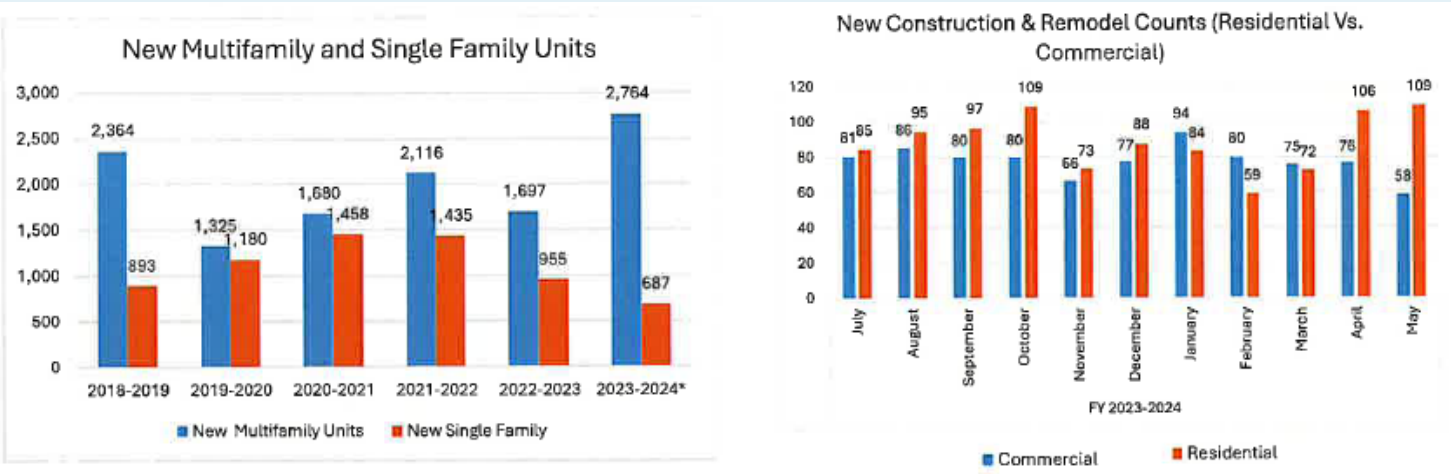
PROPRIETARY FUNDS

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	06/30/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	06/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 12,811,000	\$ 11,072,423	86.4%	\$ 12,175,000	\$ 9,942,202	81.7%
Expenditures	\$ 15,081,458	\$ 13,327,078	88.4%	\$ 18,008,269	\$ 14,424,419	80.1%

Over the past few years, Reno has experienced a surge in infrastructure projects, commercial developments, and residential construction, allowing development to remain in an upward trajectory. Total building permits over the past four fiscal years have been at the highest levels the City of Reno has experienced. Over the past 10 years, residential development has trended upward, peaking in FY21 and leveling off. Commercial development has remained steady, being driven by large commercial projects in the area.



Sewer Enterprise Funds

	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	06/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 126,612,788	\$ 107,830,468	85.2%	\$ 103,365,384	\$ 101,231,194	97.9%
Expenditures	\$ 223,991,109	\$ 73,460,754	32.8%	\$ 247,899,958	\$ 73,715,446	29.7%

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. The large capital projects often overlap several fiscal years for completion.



The City of Reno and Truckee Meadows Water Authority (TMWA) were awarded a \$30 million Federal “WaterSMART” grant for the OneWater Nevada Advanced Purified Water Facility (APWF) at American Flat. The U.S. Bureau of Reclamation grant is part of President Biden’s Bipartisan Infrastructure Law for the planning, design and construction of water reuse projects. The OneWater Nevada APWF at American Flat will take highly treated effluent water from the Reno Stead Water Reclamation Facility (RSWRF) and put it through a multi-step purification process. This includes ozonation, biological carbon filtration, ultraviolet disinfection and numerous other steps. Once treated, the water will be injected into an aquifer at American Flat, north of Stead Airport. Storage in the groundwater aquifer adds a natural environmental buffer and offers additional water quality benefits. This innovative project will provide water purification technology to not only Nevada, but all of the arid west.

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.

In May, the Fleet Management Division of Maintenance and Operations was named one of the “Top 100 Best Public Fleets” by NAFA Fleet Management Association, the industry’s leading authority on fleet operations. The City is the only Public Fleet in northern Nevada to have achieved this recognition.

	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	06/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 58,190,651	\$ 63,334,950	108.8%	\$ 61,421,674	\$ 76,587,571	124.7%
Expenditures	\$ 68,869,460	\$ 74,065,167	107.5%	\$ 82,183,597	\$ 71,760,630	87.3%

REDEVELOPMENT AGENCY (RDA)

Downtown revitalization remains a top priority. Efforts in economic development have not only sustained but amplified the City’s mission to connect, inspire, and activate downtown investment and revitalization. The initiatives celebrate Reno’s unique character, enhancing the quality of life for all Renoites and offering an inviting atmosphere for visitors. The City is committed to fostering growth and celebrating the vibrant spirit that makes Reno a choice location for residents, businesses, and visitors alike.

	2022-23 AMENDED BUDGET	06/30/2023 ACTUALS	% OF BUDGET	2023-24 AMENDED BUDGET	06/30/2024 ACTUALS (unaudited)	% OF BUDGET
RDA 1 & RDA 2						
General Funds						
Revenues	\$ 5,765,442	\$ 7,489,495	129.9%	\$ 6,966,088	\$ 9,666,907	138.8%
Expenditures	\$ 3,834,014	\$ 2,452,223	64.0%	\$ 12,691,341	\$ 2,535,382	20.0%
Debt Funds						
Revenues	\$ 2,868,746	\$ 2,512,504	87.6%	\$ 2,952,000	\$ 4,057,615	137.5%
Expenditures	\$ 2,933,718	\$ 2,951,376	100.6%	\$ 2,928,177	\$ 2,969,332	101.4%

