



## 2024-25 Quarterly Financial Report 1st Quarter Ending September 30, 2024 (unaudited)

### OVERVIEW

This financial report summarizes the City’s financial position for the quarter ending September 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

Through the first quarter, the General Fund is experiencing revenues slightly less than 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, 2024 (unaudited). Major differences in budget-to-actual and year-over-year comparisons are explained in this report.

#### Revenues

	2023-24			2024-25		
	AMENDED	09/30/2023	% OF	AMENDED	09/30/2024	% OF
	BUDGET	ACTUALS	BUDGET	BUDGET	(unaudited)	BUDGET
<b>Revenues</b>						
Property Tax	\$ 75,940,375	\$ 24,593,235	32.4%	\$ 82,850,984	\$ 26,352,177	31.8%
Franchise Fees	36,545,590	2,337,886	6.4%	42,838,222	1,416,583	3.3%
Business Licenses	29,676,441	7,576,671	25.5%	31,613,931	7,446,162	23.6%
Consolidated Tax	99,100,000	8,277,978	8.4%	102,159,200	8,310,099	8.1%
Intergovernmental	26,603,087	2,966,672	11.2%	14,245,000	2,258,331	15.9%
Charges for Services	21,349,922	5,656,794	26.5%	24,919,661	5,556,084	22.3%
Fines and Forfeits	3,295,000	787,966	23.9%	3,348,000	833,953	24.9%
Special Assessments	3,675,282	1,396,767	38.0%	4,253,343	1,434,762	33.7%
Miscellaneous	3,755,285	438,749	11.7%	3,132,050	370,207	11.8%
Other Financing Sources	4,744,097	935,250	19.7%	3,441,000	860,250	25.0%
<b>Total Revenues</b>	<b>\$ 304,685,079</b>	<b>\$ 54,967,968</b>	<b>18.0%</b>	<b>\$ 312,801,391</b>	<b>\$ 54,838,607</b>	<b>17.5%</b>

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 FY24 but the preliminary numbers for the General Fund revenues came in overall on budget or 99.6% of budget. Of this, Property Tax increased 8.8% and Consolidated Tax increased 3.1% over the previous year. Franchise Fees came in 2.2% over budget and Charges for Services were 9.7% above budget. The first quarter of FY24 is trending slightly less than expected for revenues and expenditures are trending as anticipated.



	09/30/2023 ACTUALS	09/30/2024 ACTUALS (unaudited)	% CHANGE
Property Tax	\$ 24,593,235	\$ 26,352,177	7.2%
Franchise Fees	2,337,886	1,416,583	-39.4%
Business Licenses	7,576,671	7,446,162	-1.7%
Consolidated Tax	8,277,978	8,310,099	0.4%
Intergovernmental	2,966,672	2,258,331	-23.9%
Charges for Services	5,656,794	5,556,084	-1.8%
Fines and Forfeits	787,966	833,953	5.8%
Special Assessments	1,396,767	1,434,762	2.7%
Miscellaneous	438,749	370,207	-15.6%
Other Financing Source	935,250	860,250	-8.0%
<b>Total Revenues</b>	<b>\$ 54,967,968</b>	<b>\$ 54,838,607</b>	<b>-0.2%</b>

Total revenues are at 17.5% of budget through the first quarter of the fiscal year. Franchise Fees are less than the prior year due to timing of receipts.

Consolidated tax (CTAX) for the month of July came in only 0.4% over the last year. CTAX was budgeted with a 4% increase this year, so flat receipts will present a challenge if the revenues are not made up later in the year. The Federal Reserve reduced interest rates in September and inflation has returned to the 2% target range. This process took much longer than was initially anticipated by the Federal Reserve. Inflation remained strong and rate cuts were withheld because inflation still remained above the 2% target rate. For this reason, growth over prior year actuals is 0.4% 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 franchise fees, intergovernmental, miscellaneous 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 -0.2% lower than the same quarter last year.



	2023-24			2024-25		09/30/2024	
	AMENDED BUDGET	09/30/2023 ACTUALS	% OF BUDGET	AMENDED BUDGET	ACTUALS (unaudited)	% OF BUDGET	
Revenues	\$ 304,685,079	\$ 54,967,968	18.0%	\$ 312,801,391	\$ 54,838,607	17.5%	
Expenditures	\$ 318,294,450	\$ 63,647,163	20.0%	\$ 312,801,391	\$ 72,029,590	23.0%	

## Expenditures

The table below shows the budget-to-actual expenditures for fiscal years 2023-24 (FY24) and 2024-25 (FY25) by department. In the General Fund, expenditures are 23.0% 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 48.1%. 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.



	2023-24			2024-25		09/30/2024	
	AMENDED BUDGET	09/30/2023 ACTUALS	% OF BUDGET	AMENDED BUDGET	ACTUALS (unaudited)	% OF BUDGET	
City Council	\$ 1,896,511	\$ 404,049	21.3%	\$ 1,997,972	\$ 439,417	22.0%	
City Attorney	5,717,825	1,226,277	21.4%	6,152,071	1,376,520	22.4%	
City Clerk	1,862,523	347,953	18.7%	2,011,207	330,805	16.4%	
City Manager	16,773,593	3,398,927	20.3%	21,551,261	4,287,474	19.9%	
Civil Service	1,023,848	213,123	20.8%	1,145,316	216,632	18.9%	
Development Services	7,204,917	1,576,085	21.9%	3,381,633	508,238	15.0%	
Finance	2,973,672	590,469	19.9%	3,142,875	686,178	21.8%	
Fire	74,221,088	16,195,171	21.8%	72,759,203	19,372,827	26.6%	
Human Resources	3,393,607	685,520	20.2%	3,890,139	839,447	21.6%	
Information Technology	12,739,454	3,277,235	25.7%	13,121,986	6,317,692	48.1%	
Municipal Court	10,338,854	2,065,618	20.0%	10,793,778	2,383,671	22.1%	
Parks & Recreation	16,814,920	3,390,617	20.2%	18,291,687	3,914,298	21.4%	
Police	106,168,824	22,242,453	21.0%	106,643,986	23,639,492	22.2%	
Public Safety Dispatch	9,025,038	1,991,405	22.1%	9,340,755	1,921,370	20.6%	
Public Works	2,029,804	683,760	33.7%	2,158,143	635,570	29.4%	
Maintenance & Operations	8,255,662	1,604,312	19.4%	9,447,939	2,027,274	21.5%	
Debt Service	605,701	-	0.0%	605,701	-	0.0%	
Intergovernmental	18,545,913	1,641,688	8.9%	13,192,238	1,403,186	10.6%	
Transfers Out	18,702,696	2,112,500	11.3%	13,173,501	1,729,500	13.1%	
<b>Total Expenditures</b>	<b>\$ 318,294,450</b>	<b>\$ 63,647,163</b>	<b>20.0%</b>	<b>\$ 312,801,391</b>	<b>\$ 72,029,590</b>	<b>23.0%</b>	

## 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 2023-24 and 2024-25 as they stood on September 30.

### Capital Project Funds

	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	09/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 127,990,776	\$ 8,042,143	6.3%	\$ 11,558,000	\$ 2,803,763	24.3%
Expenditures	\$ 189,194,566	\$ 17,048,625	9.0%	\$ 21,885,864	\$ 6,382,357	29.2%

The Public Safety Center and the Moana Springs Community Aquatics and Fitness Center were completed in August 2024. The FY24 budget includes the carryforward of funds to complete those projects.

The previous Reno Police Department location is planned for demolition soon 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 4<sup>th</sup> Street and Valley Road.



## Special Revenue Funds

	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	09/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 51,471,604	\$ 12,024,442	23.4%	\$ 52,269,595	\$ 12,717,453	24.3%
Expenditures	\$ 88,072,020	\$ 9,687,626	11.0%	\$ 53,959,604	\$ 8,674,589	16.1%

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.



The transient occupancy tax, or room tax, revenue reflects the tourism and events occurring in the local area and remains relatively flat because the number of hotel rooms available have not grown downtown.

## Debt Service Funds

	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	09/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 120,269,202	\$ 3,816,919	3.2%	\$ 33,778,909	\$ 3,929,522	11.6%
Expenditures	\$ 125,353,220	\$ 6,370,019	5.1%	\$ 28,416,938	\$ 6,698,210	23.6%

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 FY24 included the carryforward of proceeds from the \$60 million General Obligation Debt that was issued in July 2022 to complete the Moana Pool and the Public Safety Center.



## 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

	2023-24			2024-25		
	AMENDED BUDGET	09/30/2023 ACTUALS	% OF BUDGET	AMENDED BUDGET	09/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 12,811,000	\$ 2,298,255	17.9%	\$ 10,550,000	\$ 2,821,380	26.7%
Expenditures	\$ 15,081,458	\$ 3,218,937	21.3%	\$ 19,668,511	\$ 3,317,597	16.9%

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

	2023-24			2024-25		
	AMENDED BUDGET	09/30/2023 ACTUALS	% OF BUDGET	AMENDED BUDGET	09/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 126,612,788	\$ 22,800,074	18.0%	\$ 214,677,058	\$ 22,154,957	10.3%
Expenditures	\$ 223,991,109	\$ 15,887,666	7.1%	\$ 328,276,774	\$ 13,747,892	4.2%

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 anticipated in FY24 for the advanced purified water project so the budget numbers for FY24 appear high as this project was delayed and is not anticipated to start construction now until mid-2025. Funding is now anticipated in the FY25 budget and expenditures include projects being completed over more than 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.

	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	09/30/2024 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 58,190,651	\$ 14,516,221	24.9%	\$ 66,538,642	\$ 16,435,880	24.7%
Expenditures	\$ 68,869,460	\$ 13,628,480	19.8%	\$ 71,603,464	\$ 13,998,380	19.5%

## REDEVELOPMENT AGENCY (RDA)

	2023-24 AMENDED BUDGET	09/30/2023 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	09/30/2024 ACTUALS (unaudited)	% OF BUDGET
<b>RDA 1 &amp; RDA 2</b>						
<b>General Funds</b>						
Revenues	\$ 5,765,442	\$ 2,727,455	47.3%	\$ 9,156,090	\$ 3,364,191	36.7%
Expenditures	\$ 3,834,014	\$ 281,136	7.3%	\$ 13,089,178	\$ 586,177	4.5%
<b>Debt Funds</b>						
Revenues	\$ 2,868,746	\$ 1,278,365	44.6%	\$ 3,981,964	\$ 1,529,715	38.4%
Expenditures	\$ 2,933,718	\$ 25,385	0.9%	\$ 2,955,649	\$ 1,385	0.0%

