CITY OF RENO

Memorandum

DATE: September 8, 2026

TO: Mayor and City Council

THROUGH: Jackie Bryant, City Manager

FROM: Matt Taylor, Assistant Finance Director

DEPT: Finance

SUBJECT: Quarterly Financial Report – June 30, 2026

Attached is the quarterly financial report for July 1, 2025 through June 30, 2026. This report will be shared on reno.gov for Reno constituents to review and be updated on the status of revenues and expenses. The amounts shown for June 30, 2026 are preliminary amounts are not the final audited balances.

2025-26 Quarterly Financial Report
4th Quarter Ending June 30, 2026 (unaudited)

OVERVIEW

This financial report summarizes the City's financial position for the quarter ending June 30, 2026, for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Building Enterprise Fund, Sewer Funds, and Internal Service Funds. The purpose of this report is to provide 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. The fiscal year-end process is ongoing and the data in this report does not yet reflect all year-end adjustments, such as accruals, reconciliations, or audit-related entries.

GENERAL FUND SUMMARY

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, 2026 (unaudited). Major differences in budget-to-actual and year-over-year comparisons are explained in this report.

Revenues

	2024-25 AMENDED BUDGET	6/30/25 ACTUALS	% OF BUDGET	2025-26 AMENDED BUDGET	6/30/26 ACTUALS (unaudited)	% OF BUDGET
Revenues						
Property Tax	$ 82,850,984	$ 82,785,807	99.9%	$ 88,995,575	$ 88,402,527	99.3%
Franchise Fees	42,888,222	34,622,176	80.7%	38,890,632	33,906,413	87.2%
Business Licenses	31,614,981	29,698,807	93.9%	30,507,846	31,891,255	104.5%
Consolidated Tax	102,159,200	98,822,138	96.7%	98,940,309	107,546,309	108.7%
Intergovernmental	16,310,817	14,231,729	87.3%	15,248,815	12,536,400	82.2%
Charges for Services	30,954,990	32,688,699	105.6%	29,646,483	26,882,446	90.7%
Fines and Forfeits	3,348,000	3,711,249	110.8%	3,630,523	4,430,616	122.0%
Special Assessements	3,838,343	4,036,047	105.2%	3,988,000	4,064,158	101.9%
Miscellaneous	5,042,876	7,497,756	148.7%	11,820,131	14,161,214	119.8%
Other Financing Sources	5,641,496	8,886,224	157.5%	7,419,601	3,651,909	49.2%
Total Revenues	**$ 324,649,909**	**$ 316,980,632**	**97.6%**	**$ 329,087,915**	**$ 327,473,247**	**99.5%**

Total revenues are 99.5% of budget as compared to 97.6% of budget last year. Consolidated taxes and business licenses showed growth this year due to increased consumer spending. Charges for services are trending lower in the current year because of changes to federal programs impacting reimbursements for fire services. Fines and forfeits are higher due to collections on delinquent penalties on business license payments and increased activity from parking tickets.

These preliminary results (data as of August 14, 2026) for FY26 are significant as they provide clarity of the City's financial health, operational efficiency, and are used to confirm assumptions made going into FY27. While the data is largely complete, it may not yet reflect all year-end adjustments, such as accruals, reconciliations, or audit-related entries.

	6/30/25 ACTUALS	6/30/26 ACTUALS (unaudited)	% CHANGE
Property Tax	$ 82,785,807	$ 88,402,527	6.8%
Franchise Fees	34,622,176	33,906,413	-2.1%
Business Licenses	29,698,807	31,891,255	7.4%
Consolidated Tax	98,822,138	107,546,309	8.8%
Intergovernmental	14,231,729	12,536,400	-11.9%
Charges for Services	32,688,699	26,882,446	-17.8%
Fines and Forfeits	3,711,249	4,430,616	19.4%
Special Assessments	4,036,047	4,064,158	0.7%
Miscellaneous	7,497,756	14,161,214	88.9%
Other Financing Sources	8,886,224	3,651,909	-58.9%
Total Revenues	**$ 316,980,632**	**$ 327,473,247**	**3.31%**

Overall, revenues are 3.31% over last year. Property tax receipts are coming in as anticipated compared to budget. Franchise Fee revenues continue to trend downward, with a decline of 2.1% compared to prior year actuals. Ths pattern is consistent with milder winters and also consumers changing spending patterns. Business licenses and Consolidated tax revenues (CTax) show steady growth, attributable to increased consumer spending and economic activity.

Charges for Services are lower than the prior year mainly from reimbursements for Fire transports which varies year to year. Fines and forfeits are higher due to delinquency charges on business licenses and increased activity in parking tickets. Miscellaneous is higher with the addition of reimbursement for the cost of the Reno Tahoe Airport fire personnel through regionalization of resources. Other Financing Sources show a decline of 58.9% compared to the prior year due to recording FY25 year-end lease financing per accounting standards which can vary significantly from one year to the next.

This positive trend in revenue collection, particularly from consolidated taxes and business licenses, supports a stable fiscal outlook for the City. The increased activity in fines and forfeits also contributes significantly to this favorable financial position, reflecting effective enforcement and compliance measures. As we move forward, it is crucial to sustain this momentum by continually monitoring and adjusting financial strategies to address any emerging variances.

	2024-25 AMENDED BUDGET	6/30/25 ACTUALS	% OF BUDGET	2025-26 AMENDED BUDGET	6/30/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 324,649,909	$ 316,980,632	97.6%	$ 329,087,915	$ 327,473,247	99.5%
Expenditures	$ 332,761,372	$ 317,121,778	95.3%	$ 343,542,046	$ 319,119,997	92.9%

The next table includes a comparison of the budget-to-actual expenditures for fiscal years 2024-25 (FY25) and 2025-26 (FY26) by department (data as of August 14, 2026). At the year-end mark, all departments should be trending at or below 100% expended. Many departments are well under 100%, resulting in an overall average of 92.9% expended. Housing & Neighborhood Development shows they are overspent by 5.2%. This is due to the department being small and unplanned employee expenses were incurred for sick and vacation cash outs. While the data is largely complete, it may not yet reflect all year-end adjustments, such as accruals, reconciliations, or audit-related entries.

The fourth quarter's fiscal performance underscores the importance of vigilant financial management and proactive planning. By closely monitoring both revenue streams and expenditure patterns, the City can continue to navigate economic uncertainties and maintain sound financial footing.

Expenditures

	2024-25 AMENDED BUDGET	6/30/25 ACTUALS	% OF BUDGET	2025-26 AMENDED BUDGET	6/30/26 ACTUALS (unaudited)	% OF BUDGET
City Council	$ 1,889,279	$ 1,793,621	94.9%	$ 2,680,296	$ 2,390,518	89.2%
City Attorney	6,425,437	6,091,322	94.8%	6,638,940	6,098,880	91.9%
City Clerk	2,030,149	1,798,332	88.6%	1,595,455	1,569,656	98.4%
City Manager	12,247,511	10,131,757	82.7%	10,293,551	8,778,615	85.3%
Business Licenses	1,841,738	1,687,979	91.7%	1,915,975	1,603,286	83.7%
Code Compliance & Parking	2,817,630	2,526,656	89.7%	2,091,454	1,976,241	94.5%
Communications	1,753,954	1,606,550	91.6%	1,845,371	1,616,030	87.6%
Community Engagement	2,735,539	1,887,030	69.0%	2,815,361	2,007,439	71.3%
Civil Service	1,136,118	1,074,127	94.5%	1,191,541	1,135,609	95.3%
Development Services	3,475,810	3,199,182	92.0%	5,345,396	4,317,400	80.8%
Finance	3,244,720	3,090,294	95.2%	3,577,997	3,095,508	86.5%
Fire	83,958,322	83,779,249	99.8%	95,338,089	94,189,433	98.8%
Housing & Neighborhood Dev	625,198	567,411	90.8%	589,861	620,621	105.2%
Human Resources	4,111,514	3,642,805	88.6%	3,591,078	3,198,055	89.1%
Information Technology	15,100,738	17,283,113	114.5%	17,903,211	13,157,775	73.5%
Municipal Court	11,615,509	11,223,444	96.6%	11,805,360	11,047,676	93.6%
Office of Policy & Strategy	1,554,502	1,321,051	85.0%	1,244,716	1,180,466	94.8%
Parks & Recreation	19,670,769	17,331,455	88.1%	18,457,024	14,393,949	78.0%
Police	112,652,522	106,100,696	94.2%	117,177,047	112,506,314	96.0%
Public Safety Dispatch	9,574,736	8,808,804	92.0%	9,979,829	9,236,846	92.6%
Public Works	2,196,801	2,087,246	95.0%	2,296,906	1,634,379	71.2%
Maintenance & Operations	10,291,419	9,684,949	94.1%	9,263,186	8,410,668	90.8%
Intergovernmental	10,415,879	9,079,977	87.2%	9,750,883	8,801,114	90.3%
Debt Service	605,701	534,851	88.3%	605,701	605,701	100.0%
Transfers Out	10,789,877	10,789,877	100.0%	5,547,818	5,547,818	100.0%
Total Expenditures	**$ 332,761,372**	**$ 317,121,778**	**95.3%**	**$ 343,542,046**	**$ 319,119,997**	**92.9%**

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 2024-25 and 2025-26 as they stood on June 30, 2026.

Capital Project Funds

	2024-25 AMENDED BUDGET	6/30/25 ACTUALS	% OF BUDGET	2025-26 AMENDED BUDGET	6/30/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 35,436,179	$ 33,557,379	94.7%	$ 14,939,577	$ 17,479,362	117.0%
Expenditures	$ 83,393,034	$ 42,456,570	50.9%	$ 48,554,817	$ 19,652,840	40.5%

The timing and nature of capital projects can result in fluctuating spending patterns and make comparing year-over-year budget to actuals difficult. It is common for a project to require multiple years to complete. These capital project funds will have the entire anticipated project cost included in the budget for the fiscal year the project begins but may take multiple fiscal years to complete. When this occurs, the following year remaining project budgets are rolled forward and amended to increase the new year budget and facilitate project completion.

The Public Safety Center and the Moana Springs Community Aquatics and Fitness Center, two large capital projects in recent years, were completed two months into the prior fiscal year in August of 2024. The FY25 budget includes the carryforward of funds to complete those projects. The capital project funds also include the remaining balance of ARPA funds which are expected to be completed in December 2026.

Special Revenue Funds

	2024-25 AMENDED BUDGET	6/30/25 ACTUALS	% OF BUDGET	2025-26 AMENDED BUDGET	6/30/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 54,080,813	$ 55,366,951	102.4%	$ 62,622,690	$ 65,251,289	104.2%
Expenditures	$ 74,016,183	$ 51,562,684	69.7%	$ 80,560,348	$ 51,774,189	64.3%

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.

Street Fund projects for FY26 included the neighborhood streets program, bridge program, street preventative maintenance, and traffic safety program. Court fund projects for FY26 include elevator replacement and Mills Lane chiller replacement. These projects will modernize the elevator at the Reno Municipal Court to meet current regulatory standards and will replace a large HVAC unit at the Mills B. Lane Justice Center, which houses the Reno Municipal Court and the Washoe County District Attorney's Office.

The transient occupancy tax (room tax revenue) reflects tourism and events occurring in the local area and has grown this year due to increased tourism in the area. These funds are used to support Parks and Recreation, Special Events, and Arts and Culture initiatives or programs which improve or better the City as a final destination for tourism and visitors.

Debt Service Funds

	2024-25 AMENDED BUDGET	6/30/25 ACTUALS	% OF BUDGET	2025-26 AMENDED BUDGET	6/30/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 57,744,220	$ 58,281,615	100.9%	$ 32,553,175	$ 32,859,471	100.9%
Expenditures	$ 60,323,525	$ 60,012,624	99.5%	$ 34,084,014	$ 33,938,098	99.6%

Debt Service Funds are utilized to manage the accumulation and disbursement of resources for the payment of debt principal and interest. These funds ensure that the city meets its debt obligations on time and maintains a strong credit rating, which is crucial for the City's financial health and its ability to finance future projects. The City's Debt Service Funds include debt payments for general obligation bonds, revenue bonds, and special assessment bonds. Bonds have been issued over the years to finance a variety of capital projects, including infrastructure improvements, public safety facilities, and recreational amenities. Managing these funds effectively is essential to maintaining the city's fiscal stability and ensuring that it can continue to provide high-quality services and facilities to its residents. The debt funds for FY25 included the proceeds and payoff from refunding the 2013 Capital Improvement Bonds. These bonds were refunded to take advantage of lower interest rates while maintaining the existing scheduled payoff date.

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

	2024-25 AMENDED BUDGET	6/30/25 ACTUALS	% OF BUDGET	2025-26 AMENDED BUDGET	6/30/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 10,550,000	$ 11,514,601	109.1%	$ 10,602,814	$ 15,892,390	149.9%
Expenditures	$ 19,813,893	$ 13,966,819	70.5%	$ 15,512,649	$ 9,161,145	59.1%

Development activity in Reno increased compared with the previous year. There was an increase of permits filed at the end of the second quarter from builders for multi-year projects in anticipation of the Title 18 changes that took effect in January 2026. Total valuation remains high due to the complexity and number of projects being submitted.

Sewer Enterprise Funds

	2024-25 AMENDED BUDGET	6/30/25 ACTUALS	% OF BUDGET	2025-26 AMENDED BUDGET	6/30/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 215,008,983	$ 131,550,038	61.2%	$ 260,787,240	$ 166,963,986	64.0%
Expenditures	$ 386,507,720	$ 94,930,393	24.6%	$ 413,864,722	$ 141,222,386	34.1%

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 anticipated in FY25 for the advanced purified water project so the budget numbers for FY25 appear high as this project was delayed with construction not starting until 2026. Funding is now approved and will be received, on a reimbursement basis, as construction is completed over multiple years.

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.

	2024-25 AMENDED BUDGET	6/30/25 ACTUALS	% OF BUDGET	2025-26 AMENDED BUDGET	6/30/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 66,584,639	$ 77,448,392	116.3%	$ 60,207,941	$ 67,662,497	112.4%
Expenditures	$ 80,305,949	$ 77,863,281	97.0%	$ 95,387,805	$ 81,046,709	85.0%