



C I T Y O F
RENO
Memorandum

DATE: May 18, 2026

TO: Mayor and City Council

THROUGH: Jackie Bryant, City Manager

FROM: Matt Taylor, Assistant Finance Director

DEPT: Finance

SUBJECT: Quarterly Financial Report – March 31, 2026

Attached is the quarterly financial report for January 1, 2026 through March 31, 2026. This report will be shared on reno.gov for Reno constituents to review and be updated on the status of revenues and expenses.



2025-26 Quarterly Financial Report

3rd Quarter Ending March 31, 2026 (unaudited)

OVERVIEW

This financial report summarizes the City's financial position for the quarter ending March 31, 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.

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 third quarter compared to the adjusted budget as it stood on March 31, 2026 (unaudited). Major differences in budget-to-actual and year-over-year comparisons are explained in this report.

Revenues

	2024-25 AMENDED BUDGET	3/31/25 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	3/31/26 ACTUALS (unaudited)	% OF BUDGET
Revenues						
Property Tax	\$ 82,850,984	\$ 79,059,065	95.4%	\$ 88,995,575	\$ 84,870,209	95.4%
Franchise Fees	42,888,222	20,841,154	48.6%	37,290,632	18,389,803	49.3%
Business Licenses	31,614,981	22,304,077	70.5%	30,507,846	24,163,859	79.2%
Consolidated Tax	102,159,200	54,205,808	53.1%	98,940,309	61,718,850	62.4%
Intergovernmental	16,221,899	8,572,931	52.8%	13,716,152	8,036,655	58.6%
Charges for Services	26,290,180	25,905,149	98.5%	29,629,913	21,141,791	71.4%
Fines and Forfeits	3,348,000	2,746,240	82.0%	3,630,523	3,353,136	92.4%
Special Assessments	3,838,343	3,803,558	99.1%	3,988,000	3,929,954	98.5%
Miscellaneous	3,520,294	2,817,464	80.0%	8,529,667	8,260,811	96.8%
Other Financing Sources	3,361,000	4,779,269	142.2%	3,619,601	2,746,939	75.9%
Total Revenues	\$ 316,093,103	\$ 225,034,715	71.2%	\$ 318,848,218	\$ 236,612,007	74.2%

Total revenues are 74.2% of budget as compared to 71.2% of budget last year. Business licenses and charges for services are trending slightly higher this year. Charges for services include fire strike team reimbursements, with amounts and timing varying from year to year. Fines and forfeits are higher due to collections on delinquent penalties on business license payments and increased activity from parking tickets.

The third quarter results for FY26 are significant as they provide an early indication of financial health, operational efficiency, and progress toward annual goals. These findings aid in identifying budget variances, revenue shortfalls, or unexpected expenditures, thus facilitating timely adjustments to plans and resource allocation. Overall, the second

quarter's performance supports the tone for the rest of the fiscal year and supports informed decision-making for next year's budget.

	3/31/25 ACTUALS (unaudited)	3/31/26 ACTUALS (unaudited)	% CHANGE
Property Tax	\$ 79,059,065	\$ 84,870,209	7.4%
Franchise Fees	20,841,154	18,389,803	-11.8%
Business Licenses	22,304,077	24,163,859	8.3%
Consolidated Tax	54,205,808	61,718,850	13.9%
Intergovernmental	8,572,931	8,036,655	-6.3%
Charges for Services	25,905,149	21,141,791	-18.4%
Fines and Forfeits	2,746,240	3,353,136	22.1%
Special Assessments	3,803,558	3,929,954	3.3%
Miscellaneous	2,817,464	8,260,811	193.2%
Other Financing Sources	4,779,269	2,746,939	-42.5%
Total Revenues	\$ 225,034,715	\$ 236,612,007	5.14%

Overall, revenues are trending 5.14% over last year for the same quarter. Property tax receipts are coming in as anticipated; consolidated tax revenues (CTax) show an increase of 13.9%. This growth is largely attributable to a shift in distribution timing by the Department of Taxation in the prior fiscal year, which resulted in the third quarter receipts being short by approximately one half month. As a result, the year-over-year comparison is somewhat overstated. The CTax receipts shown represent seven months of distribution (July - January). Franchise Fee revenues continue to

trend downward, with a decline of 11.8% compared to prior year actuals. This decrease is primarily driven by reduced electric and gas fee collections, reflecting milder winter conditions in the region during the most recent months. Other Financing Sources show a decline of 42.5% compared to the prior year. This decrease is attributable to a one-time transfer of \$1.5 million in FY25 used to close out debt funds. These funds were part of Council's broader strategy to address portions of the budget deficit through the use of one-time resources, resulting in a higher baseline in the prior year that does not recur in the current period.

Fines and forfeits are higher due to delinquency charges on business licenses and increased activity in parking tickets. Charges for Services are lower than the prior year mainly from reimbursements for Fire transports which varies year to year. Miscellaneous is higher with the addition of reimbursement for the cost of the Reno Tahoe Airport fire personnel through regionalization of resources. This positive trend in revenue collection, particularly from business licenses and consolidated tax, 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	3/31/25 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	3/31/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 316,093,103	\$ 225,034,715	71.2%	\$ 318,848,218	\$ 236,612,007	74.2%
Expenditures	\$ 332,761,372	\$ 225,492,227	67.8%	\$ 333,302,349	\$ 227,597,458	68.3%

Expenditures

The next table includes a comparison of the budget-to-actual expenditures for fiscal years 2024-25 (FY25) and 2025-26 (FY26) by department. At the third quarter mark, all departments should be trending at or below 75% expended. Many departments are well under 75%, resulting in an overall average of 68.3% expended. Information technology has many contracts for software maintenance due at the beginning of the fiscal year, so this department always has higher spending during the first part of the year, but this does level off as the year progresses.

The third 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.

	2024-25 AMENDED BUDGET	3/31/25 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	3/31/26 ACTUALS (unaudited)	% OF BUDGET
City Council	\$ 1,889,279	\$ 1,324,952	70.1%	\$ 2,722,567	\$ 1,779,516	65.4%
City Attorney	6,425,437	4,400,046	68.5%	6,638,940	4,450,264	67.0%
City Clerk	2,030,149	1,227,788	60.5%	1,595,455	1,057,375	66.3%
City Manager	12,247,511	6,899,120	56.3%	10,306,484	6,331,316	61.4%
Business Licenses	1,841,738	1,220,750	66.3%	1,915,975	1,107,521	57.8%
Code Compliance & Parking	2,817,630	1,776,096	63.0%	2,091,454	1,462,235	69.9%
Communications	1,753,954	1,156,300	65.9%	1,845,371	1,123,404	60.9%
Community Engagement	2,735,539	1,298,385	47.5%	2,802,076	1,433,949	51.2%
Civil Service	1,136,118	736,803	64.9%	1,191,541	789,332	66.2%
Development Services	3,475,810	2,545,519	73.2%	5,281,431	3,135,568	59.4%
Finance	3,244,720	2,229,079	68.7%	3,577,997	2,204,483	61.6%
Fire	83,958,322	59,007,356	70.3%	89,590,596	65,221,494	72.8%
Housing & Neighborhood Dev	625,198	369,846	59.2%	588,361	444,274	75.5%
Human Resources	4,111,514	2,716,501	66.1%	3,591,078	2,303,370	64.1%
Information Technology	15,100,738	10,926,352	72.4%	14,103,211	10,010,267	71.0%
Municipal Court	11,615,509	8,010,341	69.0%	11,805,360	7,712,053	65.3%
Office of Policy & Strategy	1,554,502	941,856	60.6%	1,244,716	888,138	71.4%
Parks & Recreation	19,670,769	12,521,299	63.7%	18,399,378	12,092,733	65.7%
Police	112,652,522	77,291,566	68.6%	116,572,035	80,571,695	69.1%
Public Safety Dispatch	9,574,736	6,355,944	66.4%	9,979,829	6,653,722	66.7%
Public Works	2,196,801	1,567,288	71.3%	2,296,906	1,223,531	53.3%
Maintenance & Operations	10,291,419	6,815,742	66.2%	9,257,186	5,802,840	62.7%
Intergovernmental	10,415,879	5,711,220	54.8%	9,750,883	6,409,268	65.7%
Debt Service	605,701	605,701	100.0%	605,701	605,701	100.0%
Transfers Out	10,789,877	7,836,377	72.6%	5,547,818	2,783,409	50.2%
Total Expenditures	\$ 332,761,372	\$ 225,492,227	67.8%	\$ 333,302,349	\$ 227,597,458	68.3%

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 2024-25 and 2025-26 as they stood on March 31, 2026.

Capital Project Funds

	2024-25 AMENDED BUDGET	3/31/25 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	3/31/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 35,436,179	\$ 12,607,006	35.6%	\$ 4,786,223	\$ 5,297,992	110.7%
Expenditures	\$ 83,393,034	\$ 27,512,180	33.0%	\$ 36,183,862	\$ 9,458,917	26.1%

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	3/31/25 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	3/31/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 54,080,813	\$ 41,996,016	77.7%	\$ 55,343,291	\$ 51,483,254	93.0%
Expenditures	\$ 74,016,183	\$ 34,487,261	46.6%	\$ 73,380,949	\$ 36,003,846	49.1%

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.

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 remained relatively flat over the years. 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	3/31/25 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	3/31/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 57,744,220	\$ 42,617,952	73.8%	\$ 32,550,182	\$ 20,436,276	62.8%
Expenditures	\$ 60,323,525	\$ 41,143,276	68.2%	\$ 27,407,875	\$ 16,101,154	58.7%

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	3/31/25 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	3/31/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 10,550,000	\$ 8,165,463	77.4%	\$ 10,602,814	\$ 12,558,252	118.4%
Expenditures	\$ 19,813,893	\$ 10,914,108	55.1%	\$ 15,512,649	\$ 9,014,844	58.1%

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. Residential construction has slowed but new commercial construction activity has increased. Total valuation remains high due to the complexity and number of projects being submitted.

Sewer Enterprise Funds

	2024-25 AMENDED BUDGET	3/31/25 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	3/31/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 215,008,983	\$ 80,167,080	37.3%	\$ 258,839,640	\$ 85,286,855	32.9%
Expenditures	\$ 386,507,720	\$ 61,552,574	15.9%	\$ 411,787,122	\$ 59,846,604	14.5%

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 second 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 and is not anticipated to start construction now until mid-2026. Funding is now anticipated in the FY26 budget and expenditures include projects being 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	3/31/25 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	3/31/26 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 66,584,639	\$ 52,355,578	78.6%	\$ 60,194,941	\$ 48,491,915	80.6%
Expenditures	\$ 80,305,949	\$ 47,574,256	59.2%	\$ 76,374,805	\$ 56,296,904	73.7%