Fiscal Year 2025 Quarterly Financial Report
Quarter Ending March 31, 2025 (unaudited)

OVERVIEW

This financial report summarizes the City's financial position for the quarter ending March 31, 2025, 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 with an update on the City's fiscal status based on the most recent financial information available.

GENERAL FUND SUMMARY

Through the quarter ending March 31, 2025, 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 compared to the adjusted budget as it stood on March 31, 2025 (unaudited). Major differences in budget-to-actual and year-over-year comparisons are explained in this report.

Revenues

	2023-24 AMENDED BUDGET	March 31, 2024 ACTUALS (audited)	% OF BUDGET	2024-25 AMENDED BUDGET	March 31, 2025 ACTUALS (unaudited)	% OF BUDGET
Property Tax	$ 75,940,375	$ 72,314,033	95.2%	$ 82,850,984	$ 79,059,065	95.4%
Franchise Fees	36,645,590	21,410,043	58.4%	42,888,222	19,501,959	45.5%
Business Licenses	29,682,441	22,356,582	75.3%	31,614,981	22,312,747	70.6%
Consolidated Tax	99,100,000	56,941,024	57.5%	102,159,200	54,205,808	53.1%
Intergovernmental	19,747,983	9,162,570	46.4%	16,221,899	8,572,931	52.8%
Charges for Services	19,387,949	18,257,502	94.2%	26,290,180	25,551,860	97.2%
Fines and Forfeits	3,310,549	2,474,210	74.7%	3,348,000	2,746,240	82.0%
Special Assessements	3,675,282	3,540,511	96.3%	3,838,343	3,803,558	99.1%
Miscellaneous	4,399,923	2,879,193	65.4%	3,520,294	2,655,467	75.4%
Other Financing Sources	8,978,312	3,700,199	41.2%	3,361,000	4,779,269	142.2%
Total Revenues	**$ 300,868,404**	**$ 213,035,867**	**70.8%**	**$ 316,093,103**	**$ 223,188,904**	**70.6%**

The table above shows the quarter ended March 31, 2025 budget-to-actual revenues for fiscal years 2024 and 2025. The third quarter of 2025 is trending slightly less than expected for revenues and expenditures are trending as anticipated. Two major revenue sources, consolidated taxes and franchise fees are trending below budget for the year so far. Consolidated taxes are showing zero growth over last year and franchise fees are trending 8.9% below last year. Total revenues are at 70.6% of budget as compared to 70.8% of budget last year. This is mainly due to the two major sources as discussed.

	March 31, 2024 ACTUALS (audited)	March 31, 2025 ACTUALS (unaudited)	% CHANGE
Property Tax	$ 72,314,033	$ 79,059,065	9.3%
Franchise Fees	21,410,043.00	19,501,959.00	-8.9%
Business Licenses	22,356,582.00	22,312,747.00	-0.2%
Consolidated Tax	56,941,024.00	54,205,808.00	-4.8%
Intergovernmental	9,162,570.00	8,572,931.00	-6.4%
Charges for Services	18,257,502.00	25,551,860.00	40.0%
Fines and Forfeits	2,474,210.00	2,746,240.00	11.0%
Special Assessements	3,540,511.00	3,803,558.00	7.4%
Miscellaneous	2,879,193.00	2,655,467.00	-7.8%
Other Financing Sources	3,700,199.00	4,779,269.00	29.2%
Total Revenues	**$ 213,035,867**	**$ 223,188,904**	**4.8%**

Total revenues are at 70.6% of budget through the third quarter of the fiscal year. Franchise Fees are less than the prior year actuals and continue to come in less than anticipated due to a milder winter than in prior years and also consumers changing spending patterns. Business licenses have caught up to prior year trends but have seen an impact due to some business closures being seen in the area. Continued high inflation is contributing to the ability of businesses to be sustainable.

Consolidated tax (CTAX) collection trends have become difficult to project due to the State of Nevada's new accounting system and changes in the disbursement of revenues to local agencies. We are expecting future amounts from the State of Nevada when their accounting records have been fully reconciled, but the completion of the true-up is unknown. Overall, no growth is anticipated year-over-year due to the slowing of the economy. Growth has not proceeded as anticipated when the budget was developed. The current market volatility has also played into consumers cutting back due to uncertainty of a recession. The economic outlook is very uncertain given continued inflation, falling consumer confidence, and threats of tariffs and trade wars.

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. For example, Charges for Services show a significant increase over the prior year due to $4M in Fire Strike Team reimbursements that have been received. These differences will smooth out as the year progresses. Overall, revenues are 4.8% higher than in the same quarter last year.

	2023-24 AMENDED BUDGET	March 31, 2024 ACTUALS (audited)	% OF BUDGET	2024-25 AMENDED BUDGET	March 31, 2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 300,868,404	$ 213,035,867	70.8%	$ 316,093,103	$ 223,188,904	70.6%
Expenditures	$ 314,587,226	$ 208,173,457	66.2%	$ 331,045,387	$ 224,854,289	67.9%

Expenditures

The table below shows the budget-to-actual expenditures for fiscal years 2024 and 2025 by department. In the General Fund, expenditures are 67.9% 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 third quarter expenses are trending higher at 73.9%.

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.

	2023-24 AMENDED BUDGET	March 31, 2024 ACTUALS (audited)	% OF BUDGET	2024-25 AMENDED BUDGET	March 31, 2025 ACTUALS (unaudited)	% OF BUDGET
City Council	$ 1,919,511	$ 1,437,769	74.9%	$ 1,974,472	$ 1,327,352	67.2%
City Attorney	5,717,825	3,985,139	69.7%	6,425,437	4,386,175	68.3%
City Clerk	1,862,523	1,043,012	56.0%	2,030,149	1,182,280	58.2%
City Manager	13,494,801	9,615,553	71.3%	16,641,292	9,129,850	54.9%
Business Licenses	1,784,585	1,288,559	72.2%	1,841,738	1,221,800	66.3%
Code Compliance	1,997,653	1,422,702	71.2%	2,669,614	1,776,096	66.5%
Communications	1,632,622	1,084,639	66.4%	1,753,811	1,157,719	66.0%
Civil Service	1,023,848	688,409	67.2%	1,136,118	737,322	64.9%
Development Services	3,302,920	2,474,268	74.9%	3,474,810	2,545,013	73.2%
Finance	2,973,672	2,016,894	67.8%	3,244,720	2,223,679	68.5%
Fire	71,731,008	51,164,746	71.3%	77,542,788	58,932,657	76.0%
HAND *	-	-	****	587,698	370,010	63.0%
Human Resources	3,318,607	2,192,938	66.1%	4,111,514	2,714,620	66.0%
Information Technology	13,996,101	8,124,328	58.0%	14,808,074	10,937,845	73.9%
Municipal Court	10,189,374	7,050,070	69.2%	11,195,570	8,000,660	71.5%
Parks & Recreation	16,266,948	10,449,792	64.2%	19,600,980	12,533,325	63.9%
Police	105,385,189	71,492,462	67.8%	111,539,806	77,264,512	69.3%
Public Safety Dispatch	9,028,080	6,383,672	70.7%	9,489,686	6,361,967	67.0%
Public Works	2,264,288	1,583,794	69.9%	2,196,801	1,557,147	70.9%
Maintenance & Operations	8,016,578	5,164,910	64.4%	10,291,419	6,809,488	66.2%
Debt Service	605,701	605,701	100.0%	605,701	605,701	100.0%
Intergovernmental	19,147,696	10,818,501	56.5%	13,439,912	5,242,694	39.0%
Contingency	1,000,000	-	0.0%	693,400	-	0.0%
Transfers Out	17,927,696	8,085,599	45.1%	13,749,877	7,836,377	57.0%
Total Expenditures	**$ 314,587,226**	**$ 208,173,457**	**66.2%**	**$ 331,045,387**	**$ 224,854,289**	**67.9%**

* Housing and Neighborhood Development (HAND) was split out from City Manager and Development Services in the current year.

OTHER GOVERNMENTAL FUNDS

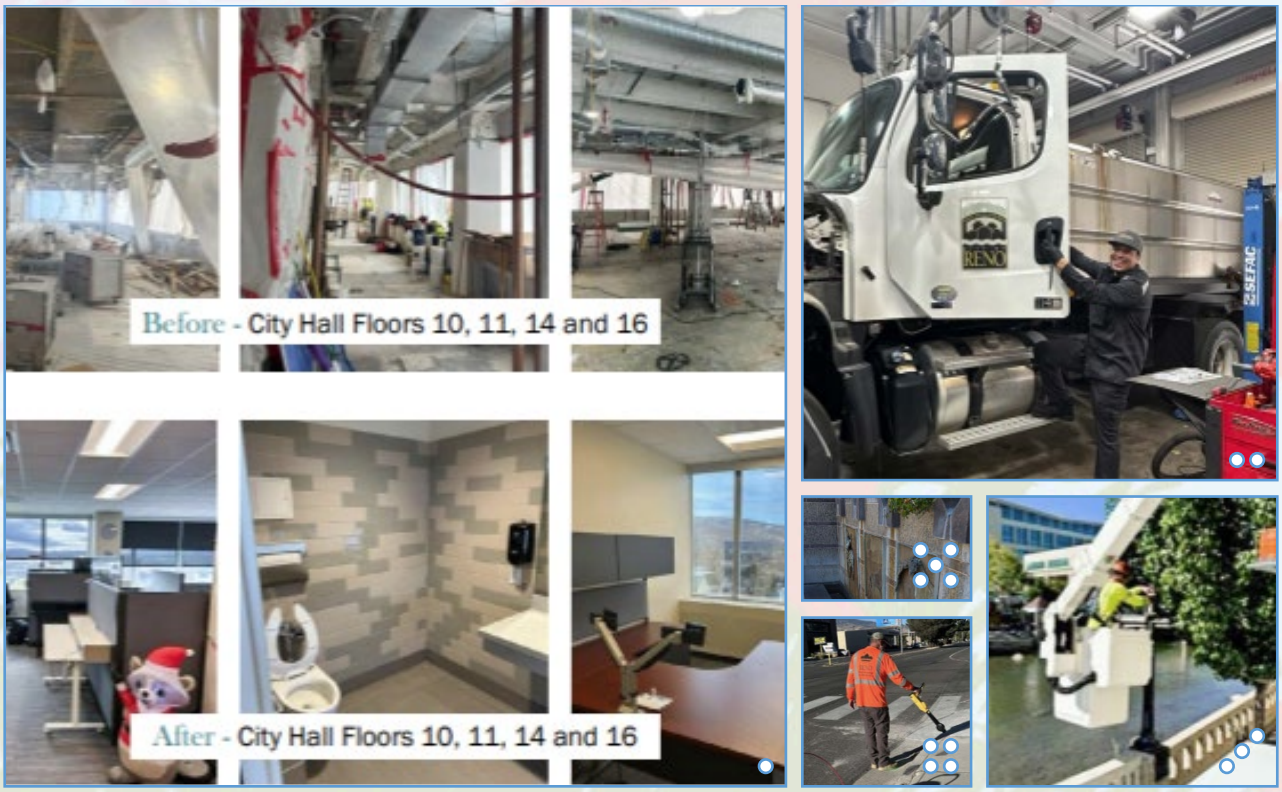
In addition to the General Fund, this report summarizes the City's third quarter financial position for the Capital Project Funds, Special Revenue Funds, and Debt Service Funds. The tables below show budget-to-actual revenues and expenditures for fiscal years 2024 and 2025 as they stood on March 31, 2025.

Capital Project Funds

	2023-24 AMENDED BUDGET	March 31, 2024 ACTUALS (audited)	% OF BUDGET	2024-25 AMENDED BUDGET	March 31, 2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 30,465,947	$ 17,647,597	57.9%	$ 13,886,591	$ 12,426,136	89.5%
Expenditures	$ 122,039,096	$ 64,477,771	52.8%	$ 59,343,446	$ 27,458,120	46.3%

The Public Safety Center and the Moana Springs Community Aquatics and Fitness Center were completed in August 2024. The FY25 budget includes the carryforward of funds to complete those projects in the current fiscal year.

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 would relocate fire administration from City Hall and Station #1 at 4th Street and Valley Road.



Facilities Division · Fleet Division · Streets Division · Sewers Division · Downdtown Maint.

Special Revenue Funds

	2023-24 AMENDED BUDGET	March 31, 2024 ACTUALS (audited)	% OF BUDGET	2024-25 AMENDED BUDGET	March 31, 2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 49,776,717	$ 38,804,067	78.0%	$ 53,354,799	$ 41,864,226	78.5%
Expenditures	$ 93,564,944	$ 34,999,250	37.4%	$ 73,290,169	$ 34,486,204	47.1%

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	March 31, 2024 ACTUALS (audited)	% OF BUDGET	2024-25 AMENDED BUDGET	March 31, 2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 35,948,000	$ 18,519,539	51.5%	$ 33,778,909	$ 42,583,836	126.1%
Expenditures	$ 28,229,713	$ 16,170,027	57.3%	$ 35,111,213	$ 41,143,276	117.2%

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 2025 included the proceeds and payoff from refunding the 2013 Capital Improvement Bonds in the amount of $24.8M. 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

	2023-24 AMENDED BUDGET	March 31, 2024 ACTUALS (audited)	% OF BUDGET	2024-25 AMENDED BUDGET	March 31, 2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 12,175,000	$ 7,387,389	60.7%	$ 10,550,000	$ 8,121,491	77.0%
Expenditures	$ 18,184,556	$ 10,620,991	58.4%	$ 20,134,304	$ 10,873,546	54.0%

Development activity in Reno remains consistent with the previous year. 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 AMENDED BUDGET	March 31, 2024 ACTUALS (audited)	% OF BUDGET	2024-25 AMENDED BUDGET	March 31, 2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 99,469,719	$ 73,934,539	74.3%	$ 214,687,424	$ 79,618,094	37.1%
Expenditures	$ 242,967,005	$ 55,747,857	22.9%	$ 386,186,161	$ 60,069,588	15.6%

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 anticipated in 2025 for the advanced purified water project so the budget numbers for 2025 appear higher as this project was anticpated to start construction in mid-2025. With timing delays, this project is now anticipated for construction in the fall of 2025 and the financing will occur in fiscal year 2026

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	March 31, 2024 ACTUALS (audited)	% OF BUDGET	2024-25 AMENDED BUDGET	March 31, 2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 61,421,674	$ 59,193,437	96.4%	$ 66,538,642	$ 51,595,456	77.5%
Expenditures	$ 79,183,597	$ 55,072,371	69.6%	$ 76,305,949	$ 47,601,699	62.4%

REDEVELOPMENT AGENCY (RDA)

The City operates two Redevelopment Agencies (RDA1 and RDA2). The purpose of the Reno Redevelopment Agency (RDA) is to attract and assist private investment, facilitate development in the City's urban core and surrounding areas, and increase property values in the region. Together, these efforts will help improve the quality of life for our citizens, create value, and enhance the City's position as the economic, civic, recreational, cultural. and entertainment hub for the region.

	2023-24 AMENDED BUDGET	March 31, 2024 ACTUALS (audited)	% OF BUDGET	2024-25 AMENDED BUDGET	March 31, 2025 ACTUALS (unaudited)	% OF BUDGET
General Funds						
Revenues	$ 6,966,088	$ 8,396,204	120.5%	$ 9,156,090	$ 10,947,158	119.6%
Expenditures	$ 12,691,341	$ 1,610,017	12.7%	$ 13,219,700	$ 3,695,364	28.0%
Debt Funds						
Revenues	$ 2,952,000	$ 3,642,797	123.4%	$ 3,981,964	$ 4,800,103	120.5%
Expenditures	$ 2,928,177	$ 320,854	11.0%	$ 2,955,649	$ 230,326	7.8%