2024-25 Quarterly Financial Report
4th Quarter Ending June 30, 2025 (unaudited)

OVERVIEW

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

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, 2025 (unaudited). Major differences in budget-to-actual and year-over-year comparisons are explained in this report.

Revenues

	2023-24 AMENDED BUDGET	6/30/2024 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	6/30/25 ACTUALS (unaudited)	% OF BUDGET
Revenues						
Property Tax	$ 75,940,375	$ 77,160,511	101.6%	$ 82,850,984	$ 82,785,807	99.9%
Franchise Fees	36,645,590	37,353,517	101.9%	42,888,222	35,705,258	83.3%
Business Licenses	29,682,441	29,283,550	98.7%	31,614,981	30,214,230	95.6%
Consolidated Tax	99,100,000	96,359,149	97.2%	102,159,200	91,498,373	89.6%
Intergovernmental	21,390,775	15,832,197	74.0%	16,310,817	13,540,984	83.0%
Charges for Services	21,349,922	23,409,805	109.6%	30,954,990	32,797,438	106.0%
Fines and Forfeits	3,310,549	3,258,205	98.4%	3,348,000	3,711,249	110.8%
Special Assessements	3,675,282	3,587,222	97.6%	3,838,343	4,036,047	105.2%
Miscellaneous	3,649,285	7,011,458	192.1%	5,042,876	6,448,820	127.9%
Other Financing Sources	9,956,409	11,275,290	113.2%	5,641,496	5,757,810	102.1%
Total Revenues	**$ 304,700,628**	**$ 304,530,904**	**99.9%**	**$ 324,649,909**	**$ 306,496,016**	**94.4%**

Total revenues are 94.4% of budget as compared to 99.9% of budget last year. A large portion of this difference is due to the outstanding June consolidated tax payment that has not been received as of the time of this report. Overall, the fourth quarter of 2024-25 is trending less than budgeted for revenues in three key areas, consolidated taxes, franchise fees, and business licenses. This was foreseen early in the fiscal year as consolidated taxes and franchise fees showed slow revenue growth early in the year. Expenditures during the year were reduced and positions were held vacant due to the anticipated shortfall in consolidated taxes and franchise fees. The final June allocation of consolidated taxes has not been received as of the time of this report.

Franchise Fees have declined year over year and are coming in less than budget due to a milder winter than in prior years and also consumers changing spending patterns. Business licenses are trending less than budget but slightly higher than prior year due to changes in economic conditions.

Consolidated tax revenues (CTax) are composed primarily of sales tax and are particularly sensitive to consumer confidence, spending patterns, and the economy. Consumer confidence has declined in the last year, and this eroded confidence is reflected in lower than anticipated consumer spending. High inflation, rising prices, and uncertainty around the unknown future impacts of fluctuating tariffs have caused changes in consumer spending.

	6/30/2024 ACTUALS	6/30/2025 ACTUALS (unaudited)	% CHANGE
Property Tax	$ 77,160,511	$ 82,785,807	7.3%
Franchise Fees	37,353,517	35,705,258	-4.4%
Business Licenses	29,283,550	30,214,230	3.2%
Consolidated Tax	96,359,149	91,498,373	-5.0%
Intergovernmental	15,832,197	13,540,984	-14.5%
Charges for Services	23,409,805	32,797,438	40.1%
Fines and Forfeits	3,258,205	3,711,249	13.9%
Special Assessements	3,587,222	4,036,048	12.5%
Miscellaneous	7,011,458	6,448,820	-8.0%
Other Financing Sources	11,275,290	5,757,810	-48.9%
Total Revenues	**$ 304,530,904**	**$ 306,496,017**	**0.6%**

Charges for Services are higher than the prior year mainly from reimbursements for Fire strike teams as well as the addition of reimbursement for the cost of the Reno Tahoe Airport fire personnel through regionalization of resources this fiscal year. Other financing sources are less year over year due to a reduction in capital project spending.

In addition to economic uncertainty, the State of Nevada moved to a new accounting system to Modernize Your Nevada Tax (MYNT) and changed from an accrual basis of accounting to a cash basis. These changes have caused timing differences in the recognition of the consolidated tax revenues. While the new system has the potential for earlier reporting, it has also introduced significant challenges at the State level for reconciling and processing payments this year. At the time of this report, the City is awaiting the final consolidated tax payment for June 2025.

	2023-24 AMENDED BUDGET	6/30/2024 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	6/30/25 A/TUALS (unaudited)	% OF BUDGET
Revenues	$ 304,700,628	$ 304,530,904	99.9%	$ 324,649,909	$ 306,496,016	94.4%
Expenditures	$ 318,419,450	$ 296,638,264	93.2%	$ 332,761,372	$ 313,645,308	94.3%

Expenditures

The table below includes a comparison of the budget-to-actual expenditures for fiscal years 2023-24 (FY24) and 2024-25 (FY25) by department. City leadership recognized the potential impact of revenue challenges early in the fiscal year and moved quickly to mitigate the impact to the General Fund. Several measures were undertaken to reduce or slow spending including a strategic approach to holding and filling vacant positions, pausing expenditures where possible, and departments were directed to find 2% savings in their service and supply budgets. Through the combination of these measures, the City was able to reduce expenditures. The amended expenditure budget includes prior year encumbrances carried forward for payment in the current fiscal year. At this time, approximately $6 million in encumbrances are anticipated to be carried forward for payment in fiscal year 2026. These encumbrances include contracts or services in process but not completed by June 30.

	2023-24 AMENDED BUDGET	6/30/24 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	6/30/25 ACTUALS (unaudited)	% OF BUDGET
City Council	$ 1,896,511	$ 1,938,275	102.2%	$ 1,889,279	$ 1,792,227	94.9%
City Attorney	5,717,825	5,509,733	96.4%	6,425,437	6,091,322	94.8%
City Clerk	1,862,523	1,627,618	87.4%	2,030,149	1,798,332	88.6%
City Manager	16,773,593	14,961,096	89.2%	18,291,506	14,771,971	80.8%
Civil Service	1,023,848	1,000,694	97.7%	1,136,118	1,074,127	94.5%
Development Services	7,329,917	7,063,317	96.4%	8,760,376	7,981,503	91.1%
Finance	2,973,672	2,818,006	94.8%	3,244,720	3,090,294	95.2%
Fire	74,221,088	71,983,218	97.0%	83,958,322	83,663,302	99.6%
Human Resources	3,393,607	3,229,540	95.2%	4,111,514	3,642,805	88.6%
Information Technology	12,739,454	12,024,109	94.4%	15,100,738	14,265,793	94.5%
Municipal Court	10,338,854	10,034,486	97.1%	11,615,509	11,223,444	96.6%
Parks & Recreation	16,814,920	14,995,141	89.2%	19,670,769	17,331,455	88.1%
Police	106,165,782	98,231,454	92.5%	112,652,522	106,097,597	94.2%
Public Safety Dispatch	9,028,080	8,809,470	97.6%	9,574,736	8,808,804	92.0%
Public Works	2,268,888	2,130,554	93.9%	2,196,801	2,088,192	95.1%
Maintenance & Operations	8,016,578	7,623,980	95.1%	10,291,419	9,684,003	94.1%
Debt Service	605,701	605,701	100.0%	605,701	534,851	88.3%
Intergovernmental	18,545,913	13,349,176	72.0%	10,415,879	8,915,409	85.6%
Contingency	-	-	100.0%	-	-	100.0%
Transfers Out	18,702,696	18,702,696	100.0%	10,789,877	10,789,877	100.0%
Total Expenditures	**$ 318,419,450**	**$ 296,638,264**	**93.2%**	**$ 332,761,372**	**$ 313,645,308**	**94.3%**

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 2023-24 and 2024-25 as they stood on June 30, 2025.

Capital Project Funds

	2023-24 AMENDED BUDGET	6/30/2024 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	6/30/2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 51,601,324	$ 47,657,556	92.4%	$ 35,436,179	$ 30,721,137	86.7%
Expenditures	$ 143,788,387	$ 95,583,373	66.5%	$ 83,393,034	$ 42,647,963	51.1%

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 fiscal year in August of 2024. The FY25 budget includes the carryforward of funds to complete those projects in the current fiscal year. The capital project funds also include the remaining balance of ARPA funds which are expected to be completed in December 2026.

Special Revenue Funds

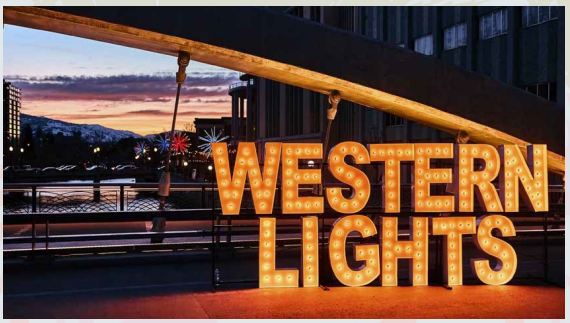
	2023-24 AMENDED BUDGET	6/30/2024 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	6/30/2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 50,693,677	$ 52,709,741	104.0%	$ 54,080,813	$ 53,469,905	98.9%
Expenditures	$ 94,481,904	$ 56,894,412	60.2%	$ 74,016,183	$ 51,287,529	69.3%

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.

Fiscal year 2024-2025 Street Fund projects include the Neighborhood Streets and Preventative Maintenance Programs, the Bridge and Traffic Safety Programs, and funding for a future North Valleys Corp Yard satellite facility.

Major projects funded through CDBG Funds for FY25 included updated school zone flashing beacons to increase pedestrian safety, updated playground and new dog park at Wilkinson Park, and additional ADA upgrades to improve pedestrian accessibility.

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

	2023-24 AMENDED BUDGET	6/30/2024	% OF BUDGET	2024-25 AMENDED BUDGET	6/30/2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 35,948,000	$ 34,452,978	95.8%	$ 57,744,220	$ 55,546,660	96.2%
Expenditures	$ 34,913,973	$ 34,374,350	98.5%	$ 60,323,525	$ 60,012,624	99.5%

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 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. The FY25 Amended Budget was augmented to reflect the refunding of the bonds in the third quarter of FY25.

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	06/30/2025 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	06/30/25 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 12,175,000	$ 10,709,619	88.0%	$ 10,550,000	$ 11,156,175	105.7%
Expenditures	$ 18,008,269	$ 15,877,376	88.2%	$ 19,813,893	$ 13,337,595	67.3%

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 and number of projects being submitted.

Sewer Enterprise Funds

	2023-24 AMENDED BUDGET	6/30/2024 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	6/30/2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 103,365,384	$ 111,642,422	108.0%	$ 215,008,983	$ 121,176,786	56.4%
Expenditures	$ 247,899,958	$ 76,787,052	31.0%	$ 386,507,720	$ 100,669,624	26.0%

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 FY24 and FY25 for the advanced purified water project so the budget numbers for FY24 and FY25 appear high as this project was delayed and is not anticpated 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

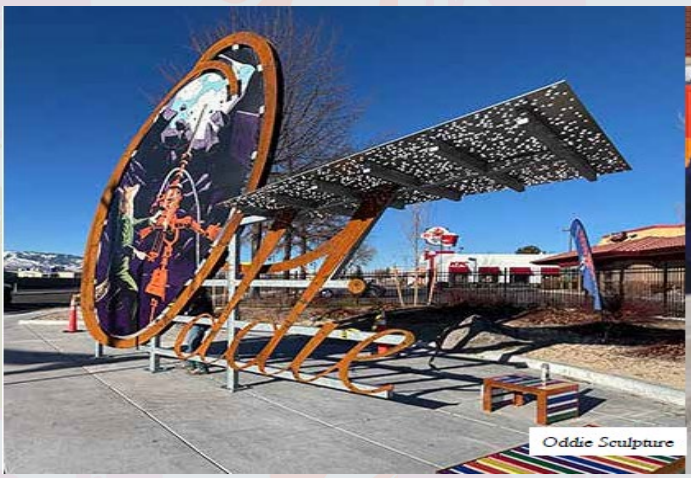
Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis. The City of Reno operates four internal services funds. The Motor Vehicle 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.

	2023-24 AMENDED BUDGET	6/30/2024 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	6/30/2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	$ 61,421,674	$ 69,526,205	113.2%	$ 66,584,639	$ 74,496,318	111.9%
Expenditures	$ 82,183,597	$ 84,096,336	102.3%	$ 80,305,949	$ 77,839,033	96.9%

REDEVELOPMENT AGENCY (RDA)

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. Expenditures in FY25 include the building demolition and site work on the previous police station location. This work included asbestos abatement in the building prior to demolition and also remediation of fuel tanks on the site. This land is now ready for future development and planning.

	2023-24 AMENDED BUDGET	6/30/2024 ACTUALS	% OF BUDGET	2024-25 AMENDED BUDGET	6/30/2025 ACTUALS (unaudited)	% OF BUDGET
RDA 1 & RDA 2						
General Funds						
Revenues	$ 6,966,088	$ 9,972,836	143.2%	$ 12,056,090	$ 15,369,487	127.5%
Expenditures	$ 12,691,341	$ 2,542,860	20.0%	$ 15,526,909	$ 8,616,475	55.5%
Debt Funds						
Revenues	$ 2,952,000	$ 4,123,076	139.7%	$ 3,236,000	$ 3,584,105	110.8%
Expenditures	$ 2,928,177	$ 2,945,332	100.6%	$ 4,155,649	$ 4,144,534	99.7%



Oddie Sculpture

River Life Mural