



C I T Y O F  
**RENO**  
Memorandum

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**DATE:** February 18, 2026

**TO:** Mayor and City Council

**THROUGH:** Jackie Bryant, City Manager

A handwritten signature in black ink, appearing to read 'Jackie Bryant', is positioned to the right of the 'THROUGH' line.

**FROM:** Matt Taylor, Assistant Finance Director

**DEPT:** Finance

**SUBJECT:** Quarterly Financial Report – December 31, 2025

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Attached is the quarterly financial report for October 1, 2025 through December 31, 2025. This report will be shared on [reno.gov](http://reno.gov) for Reno constituents to review and be updated on the status of revenues and expenses.



# 2025-26 Quarterly Financial Report

## 2nd Quarter Ending December 31, 2025

(unaudited)

### OVERVIEW

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

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

#### Revenues

	2024-25 AMENDED BUDGET	12/31/2024 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	12/31/25 ACTUALS (unaudited)	% OF BUDGET
<b>Revenues</b>						
Property Tax	\$ 82,850,984	\$ 43,357,012	52.3%	\$ 88,995,575	\$ 47,902,919	53.8%
Franchise Fees	42,888,222	12,822,799	29.9%	37,290,632	9,767,427	26.2%
Business Licenses	31,614,981	14,610,328	46.2%	30,507,846	15,766,762	51.7%
Consolidated Tax	102,159,200	33,132,692	32.4%	98,940,309	35,614,370	36.0%
Intergovernmental	16,310,817	6,139,131	37.6%	12,702,555	4,446,485	35.0%
Charges for Services	30,954,990	12,195,604	39.4%	25,144,107	15,103,344	60.1%
Fines and Forfeits	3,348,000	1,784,702	53.3%	3,630,523	2,322,365	64.0%
Special Assessments	3,838,343	2,210,774	57.6%	3,988,000	2,292,015	57.5%
Miscellaneous	5,042,876	1,818,808	36.1%	8,300,043	4,844,291	58.4%
Other Financing Sources	5,641,496	1,687,367	29.9%	3,619,601	1,839,341	50.8%
<b>Total Revenues</b>	<b>\$ 324,649,909</b>	<b>\$ 129,759,217</b>	<b>40.0%</b>	<b>\$ 313,119,191</b>	<b>\$ 139,899,319</b>	<b>44.7%</b>

Total revenues are 44.7% of budget as compared to 40.0% 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 second 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.

	12/31/2024 ACTUALS (unaudited)	12/31/25 ACTUALS (unaudited)	% CHANGE
Property Tax	\$ 43,357,012	\$ 47,902,919	10.5%
Franchise Fees	12,822,799	9,767,427	-23.8%
Business Licenses	14,610,328	15,766,762	7.9%
Consolidated Tax	33,132,692	35,614,370	7.5%
Intergovernmental	6,139,131	4,446,485	-27.6%
Charges for Services	12,195,604	15,103,344	23.8%
Fines and Forfeits	1,784,702	2,322,365	30.1%
Special Assessments	2,210,774	2,292,015	3.7%
Miscellaneous	1,818,808	4,844,291	166.3%
Other Financing Sources	1,687,367	1,839,341	9.0%
<b>Total Revenues</b>	<b>\$ 129,759,217</b>	<b>\$ 139,899,319</b>	<b>7.81%</b>

Overall, revenues are trending 7.81% over last year for the same quarter. Property tax receipts are coming in as anticipated; consolidated tax revenues (CTax) show an increase of 7.5%. The CTax receipts shown represent four months of distribution (July - October). Challenges are continuing with the Department of Taxation and their switch to a new financial system. The change began almost a year ago, and consistent reporting and distribution has yet to occur. The current year distribution

shown on this report includes some cycle shifts that occurred when the June distribution was delayed and a change back to the modified accrual basis of reporting revenues to the City. The delay in June effectively shifted the collection period out an additional week in June resulting in one less week of collections in July. Until normal cycles and distributions can be received, projections and estimates for this year and next are challenging.

Fines and forfeits are higher due to delinquency charges on business licenses and increased activity in parking tickets. Charges for Services are higher than the prior year mainly from reimbursements for Fire strike teams. 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 service charges, supports a stable fiscal outlook for the City. As we move forward, it is crucial to sustain this momentum by continually monitoring and adjusting financial strategies to address any emerging variances. The increased activity in fines and forfeits also contributes significantly to this favorable financial position, reflecting effective enforcement and compliance measures.

	2024-25 AMENDED BUDGET	12/31/24 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	12/31/25 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 324,649,909	\$ 129,759,217	40.0%	\$ 313,119,191	\$ 139,899,319	44.7%
Expenditures	\$ 332,761,372	\$ 153,657,680	46.2%	\$ 327,567,822	\$ 153,401,600	46.8%

**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 second quarter mark, all departments should be trending at or below 50% expended. Many departments are well under 50%, resulting in an overall average of 46.8% 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 quarter, but this does level off as the year progresses.

The Fire Department has experienced several retirements in the current year causing severance pay to increase more than anticipated. This is the reason for their % of budget to be more than 50%, but savings are expected to be realized from the vacant positions to offset the additional expenses.

The second 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	12/31/24 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	12/31/25 ACTUALS (unaudited)	% OF BUDGET
City Council	\$ 1,889,279	\$ 878,062	46.5%	\$ 2,727,567	\$ 1,220,066	44.7%
City Attorney	6,425,437	3,022,450	47.0%	6,638,940	3,037,719	45.8%
City Clerk	2,030,149	766,494	37.8%	1,657,643	747,607	45.1%
City Manager	12,247,511	4,823,435	39.4%	10,315,098	4,150,669	40.2%
Business Licenses	1,841,738	834,158	45.3%	1,915,975	757,197	39.5%
Code Compliance & Parking	2,817,630	1,163,717	41.3%	2,091,454	924,075	44.2%
Communications	1,753,954	788,830	45.0%	1,845,371	750,857	40.7%
Community Engagement	2,735,539	941,320	34.4%	2,802,076	963,860	34.4%
Civil Service	1,136,118	507,940	44.7%	1,191,541	508,487	42.7%
Development Services	3,475,810	1,771,419	51.0%	5,281,431	2,118,092	40.1%
Finance	3,244,720	1,514,207	46.7%	3,527,997	1,425,391	40.4%
Fire	83,958,322	40,529,742	48.3%	85,036,981	45,107,260	53.0%
Housing & Neighborhood Dev	625,198	248,944	39.8%	588,361	304,848	51.8%
Human Resources	4,111,514	1,903,160	46.3%	3,591,078	1,490,266	41.5%
Information Technology	15,100,738	8,561,986	56.7%	14,103,211	7,480,248	53.0%
Municipal Court	11,615,509	5,380,603	46.3%	11,805,360	5,149,312	43.6%
Office of Policy & Strategy	1,554,502	624,605	40.2%	1,244,716	580,658	46.6%
Parks & Recreation	19,670,769	8,592,947	43.7%	18,344,458	8,203,875	44.7%
Police	112,652,522	51,610,598	45.8%	115,385,855	53,911,901	46.7%
Public Safety Dispatch	9,574,736	4,232,402	44.2%	9,979,829	4,514,513	45.2%
Public Works	2,196,801	1,126,157	51.3%	2,296,906	942,406	41.0%
Maintenance & Operations	10,291,419	4,814,011	46.8%	9,257,186	4,069,416	44.0%
Intergovernmental	10,415,879	4,168,709	40.0%	9,785,269	4,412,176	45.1%
Debt Service	605,701	605,701	100.0%	605,701	605,701	100.0%
Transfers Out	10,789,877	4,247,188	39.4%	5,547,818	25,000	0.5%
<b>Total Expenditures</b>	<b>\$ 332,761,372</b>	<b>\$ 153,658,785</b>	<b>46.2%</b>	<b>\$ 327,567,822</b>	<b>\$ 153,401,600</b>	<b>46.8%</b>

## OTHER GOVERNMENTAL FUNDS

In addition to the General Fund, this report summarizes the City's second 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 December 31, 2025.

### Capital Project Funds

	2024-25 AMENDED BUDGET	12/31/2024 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	12/31/2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 35,436,179	\$ 8,211,269	23.2%	\$ 4,750,930	\$ 3,189,042	67.1%
Expenditures	\$ 83,393,034	\$ 18,327,210	22.0%	\$ 12,828,138	\$ 6,338,426	49.4%

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	12/31/2024 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	12/31/2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 54,080,813	\$ 23,965,739	44.3%	\$ 55,343,291	\$ 33,003,040	59.6%
Expenditures	\$ 74,016,183	\$ 25,552,446	34.5%	\$ 68,923,968	\$ 23,897,445	34.7%

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	12/31/2024 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	12/31/2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 57,744,220	\$ 35,658,979	61.8%	\$ 32,550,182	\$ 11,047,476	33.9%
Expenditures	\$ 60,323,525	\$ 39,434,100	65.4%	\$ 27,407,875	\$ 14,412,459	52.6%

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	12/31/2024 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	12/31/25 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 10,550,000	\$ 5,306,236	50.3%	\$ 10,602,814	\$ 8,158,069	76.9%
Expenditures	\$ 19,813,893	\$ 7,576,556	38.2%	\$ 15,512,649	\$ 5,900,668	38.0%

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	12/31/2024 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	12/31/2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 215,008,983	\$ 50,994,319	23.7%	\$ 258,839,640	\$ 53,312,805	20.6%
Expenditures	\$ 386,507,720	\$ 39,376,809	10.2%	\$ 411,787,122	\$ 36,289,956	8.8%

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	12/31/2024 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	12/31/2025 ACTUALS (unaudited)	% OF BUDGET
Revenues	\$ 66,584,639	\$ 34,950,086	52.5%	\$ 60,194,941	\$ 31,269,647	51.9%
Expenditures	\$ 80,305,949	\$ 31,433,851	39.1%	\$ 76,374,805	\$ 37,673,295	49.3%

## 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. The Redevelopment Agency (RDA) focuses on revitalizing and rejuvenating specific areas within the city that require economic development and urban renewal. By leveraging tax increment financing and other financial tools, the RDA aims to stimulate private investment, improve infrastructure, and enhance the overall quality of life for residents and businesses in targeted districts.

Key projects often include the renovation of historic buildings, the development of affordable housing, and the creation of public spaces that foster community engagement and cultural activities. The efforts of the RDA play a crucial role in driving sustainable growth and ensuring the equitable distribution of resources across the city. 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.

	2024-25 AMENDED BUDGET	12/31/2024 ACTUALS (unaudited)	% OF BUDGET	2025-26 AMENDED BUDGET	12/31/2025 ACTUALS (unaudited)	% OF BUDGET
<b>RDA 1 &amp; RDA 2</b>						
<b>General Funds</b>						
Revenues	\$ 12,056,090	\$ 5,953,392	49.4%	\$ 13,271,153	\$ 8,940,311	67.4%
Expenditures	\$ 15,526,909	\$ 1,539,692	9.9%	\$ 13,259,528	\$ 4,760,848	35.9%
<b>Debt Funds</b>						
Revenues	\$ 3,236,000	\$ 2,551,090	78.8%	\$ 2,894,000	\$ 2,274,799	78.6%
Expenditures	\$ 4,155,649	\$ 230,326	5.5%	\$ 2,931,514	\$ 165,374	5.6%