

# Washoe County Governmental Funds – Fiscal Year 2025

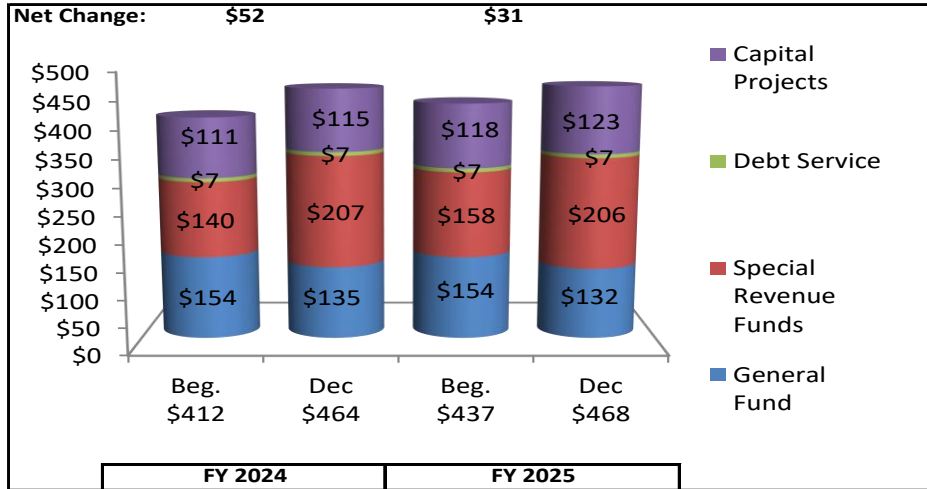
Interim Financial Report for the Six Months Ended December 31, 2024

Unaudited

*All \$ in millions unless otherwise noted.*

## TOTAL GOVERNMENTAL FUNDS

### GOVERNMENTAL FUND BALANCE



- **Total Governmental Fund Balances** increased \$31 million year-to-date and \$4 million when comparing this reporting period for fiscal year 2025 to fiscal year 2024.

- Fund balance in the **General Fund** decreased \$22 million year-to-date, primarily due to increases in personnel costs. When compared to the same period last year revenues are \$10 million higher. Expenditures and other financing uses increased by \$13 million mainly due to increased personnel costs of \$18 million.

- Fund balance for **Special Revenue Funds** increased \$48 million year-to-date primarily due to unspent money for the American Rescue Plan Act of 2021 (ARPA) grant funding and the annual transfer of funding from the General Fund to the Special Revenue funds to support the Homelessness Fund.
- Fund balance in **Debt Service Funds** remained virtually unchanged due to the timing of debt payments and transfers in.
- Fund balance in **Capital Projects** increased \$5 million year to date due to budgeted transfers from the General Fund and Other Special Revenue Fund.

### TOTAL GOVERNMENTAL REVENUES AND EXPENDITURES

**Total Governmental Revenues** have a minor increase of \$356,000 over the prior year. Ad valorem taxes increased \$13 million (8%) and Other Revenue including Investment earnings increased by \$6 million (10%) with this being offset by grants and other intergovernmental revenues which are down \$19 million (-15%) due to the conclusion of State and Local Fiscal Recovery Funds (SLFRF) and ARPA (American Rescue Plan Act of 2021) grant award receipts.

**Total Governmental Expenditures** increased \$24 million (6%) over prior year due to increased personnel costs as a result of COLAs, merit increases, PERS costs and the implementation of the Korn Ferry classification and compensation study. Services and supplies increased by a small amount of \$486,000 when compared to the prior year while capital expenditures decreased in FY2025 by \$4 million (-18%) due to the variable nature of the increased spending associated with the ARPA funds that were spent on projects in FY2024.

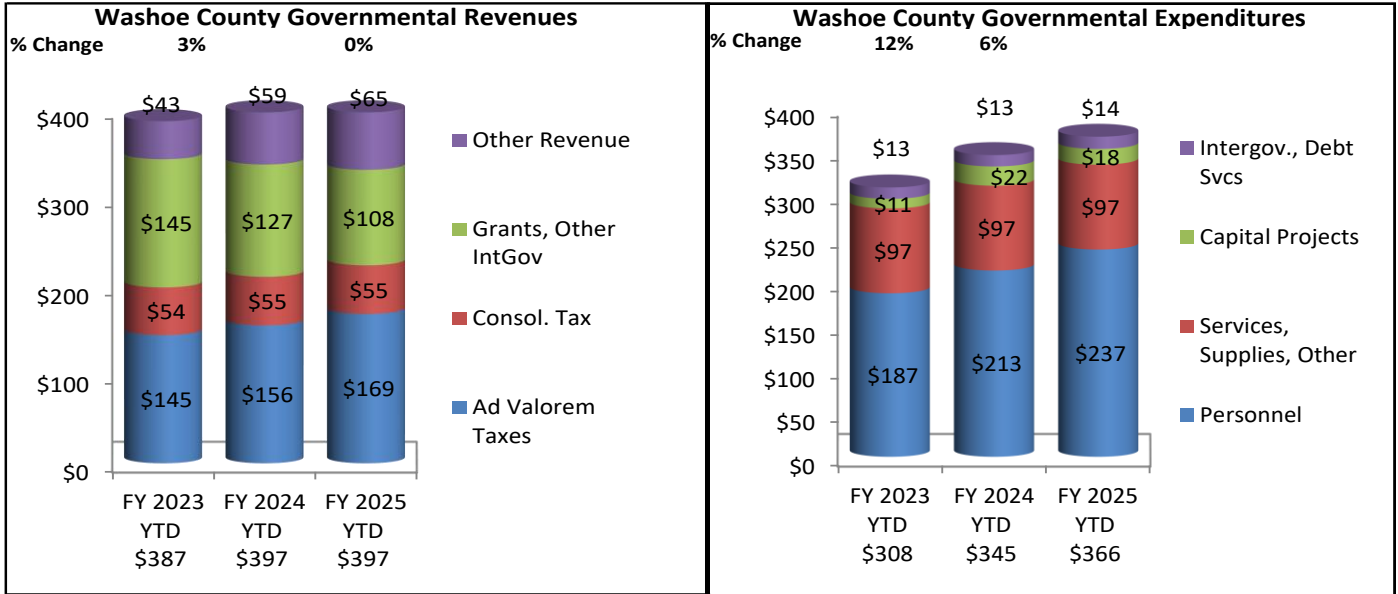
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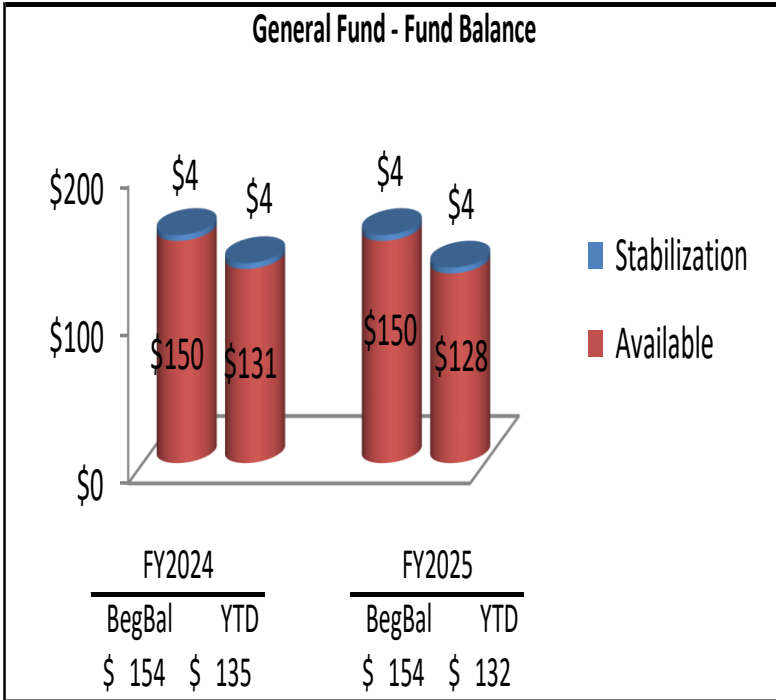
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## TOTAL GOVERNMENTAL FUNDS



## GENERAL FUND

### GENERAL FUND – FUND BALANCE



- General Fund unaudited ending fund balance decreased \$3 million over last year and decreased \$22 million year-to-date (FY2025).
- The available portion of cash balance (next page) is \$2 million lower than the prior year (FY2024). The Incline Village Property Tax Settlement payments that began on July 1, 2021, as approved by the BCC on August 4, 2020 have ended on June 30, 2024 and will not have any impact on the FY25 financials. The available cash portion of fund balance excludes funds held as deposits in the Courts and other departments. The average monthly outflow of cash is \$42 million.
- Stabilization fund balance remains at the Board's current policy level of \$4 million.

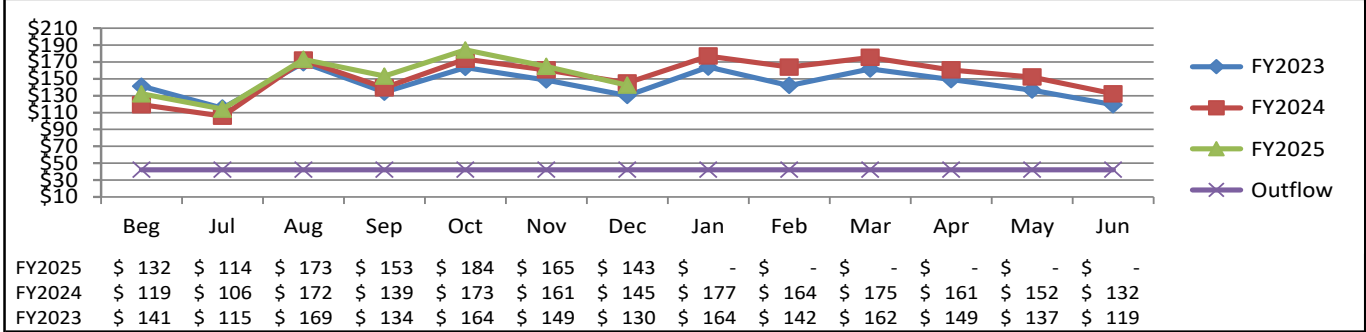
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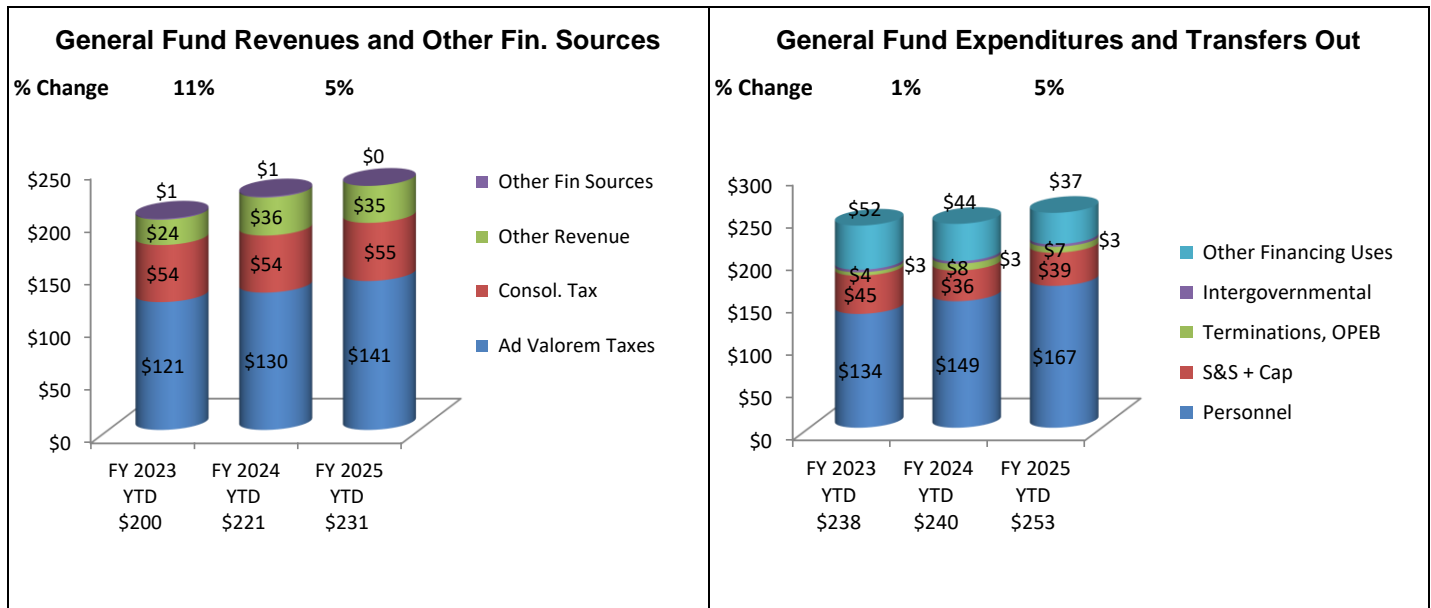
## GENERAL FUND – TREND OF AVAILABLE CASH



## GENERAL FUND REVENUES, EXPENDITURES, AND OTHER FINANCING

**Revenues** and other financing sources are \$10 million or 5% more than the prior fiscal year (FY 2024). Ad valorem taxes increased by \$11 million or 8%. Other revenue decreased \$1 million mainly due to a decrease in grants and charges for services.

**Expenditures** plus transfers out have increased \$13 million or 5% when compared to the prior fiscal year. The increase in personnel costs of \$18 million is due to implementation of the Korn Ferry classification and compensation study, cost of living adjustment (COLAs), increased costs associated with PERS and filling budgeted new positions. The Other Financing Uses decrease of \$7 million reflects a decrease in transfers for planned capital projects to the Capital Improvement Fund from the General Fund.



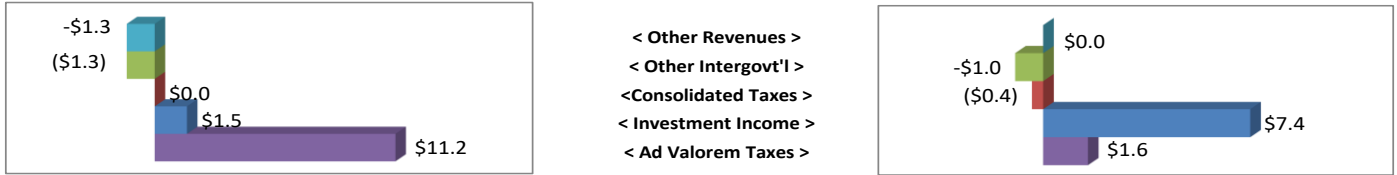
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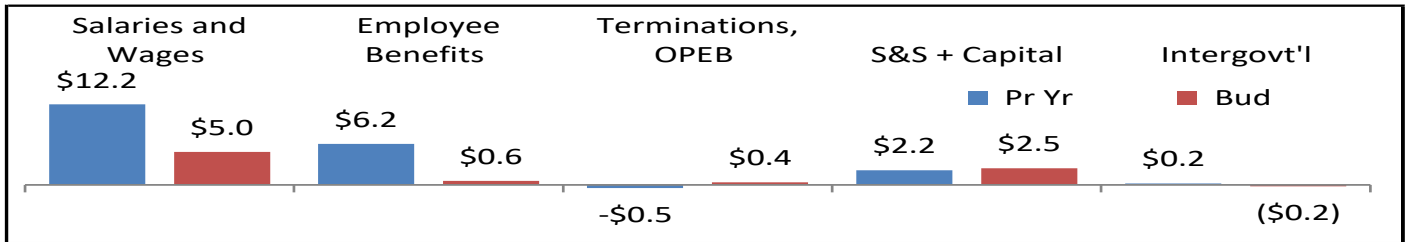
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## GENERAL FUND KEY CHANGES IN REVENUES Versus Prior Year                      Versus Budget Trend



**Ad valorem taxes** are up \$11.2 million or 8.6% over prior fiscal year due to increased assessed valuation and new development. **Consolidated taxes** remain consistent with prior year receipts. **Investment income** increased \$1.5 million or 21.7% over the previous year due to higher market interest rates for investments in FY 2025.

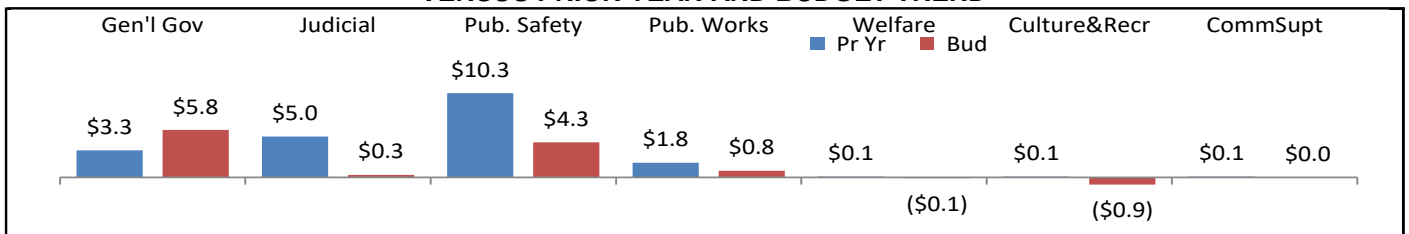
## GENERAL FUND CHANGES IN EXPENDITURES BY CATEGORY VERSUS PRIOR YEAR AND BUDGET TREND



Personnel costs are higher than the prior fiscal year by \$12.2 million or 12% because of the implementation of the Korn Ferry salary adjustments, COLAs and annual merit increases and Employee Benefits costs are higher by \$6.2 million or 13% due to increased group insurance costs, employer HSA contributions, PERS retirement costs and contributions to OPEB.

Services and supplies and capital are higher than in the prior year by \$2.2 million or 6% due to an increase in budgeted repairs and maintenance and professional services.

## GENERAL FUND CHANGES IN EXPENDITURES BY FUNCTION VERSUS PRIOR YEAR AND BUDGET TREND



Expenditures have increased in several areas. General Government expenditures increased due to rising personnel costs. The increase in the judicial function is due to personnel costs and an increase in construction projects associated with the courts. The increase in public safety is due to personnel costs and an increase in

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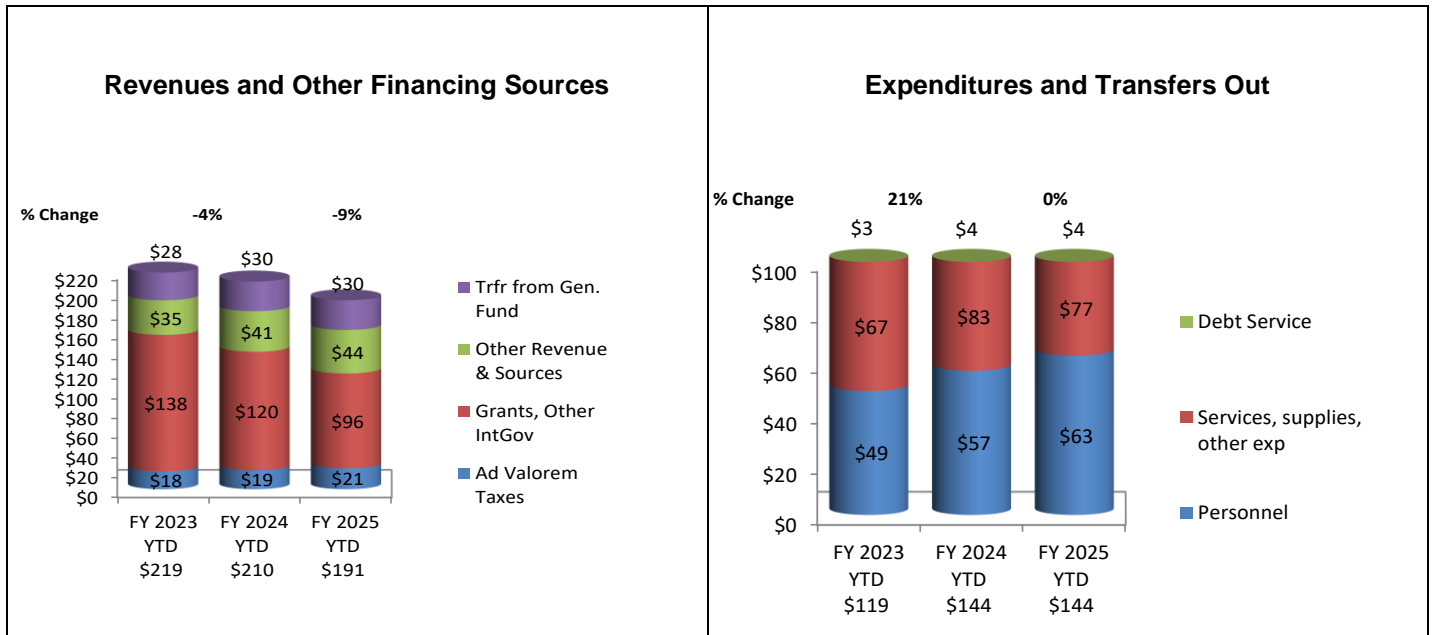
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operating supply costs and medical expenditures at the Sheriff's Office. The increase in Public Works is also due to increased personnel costs.

## SPECIAL REVENUE FUNDS

- **Revenues and other financing sources** are down \$19 million or (-9%) over the prior year, primarily due to decreased federal grant revenue from the SLFRF/ARPA funding associated with the COVID-19 pandemic of \$24 million offset by a \$3 million increase in transfers in and increases in ad valorem taxes of \$2 million.

**Expenditures and transfers out** are consistent when compared to the prior year with increased personnel costs associated with cost-of-living adjustments, merit increases, PERS costs and implementation of the Korn Ferry classification and compensation study of \$6 million offset by reduction of services and supplies of \$6 million.



## CAPITAL PROJECTS FUNDS

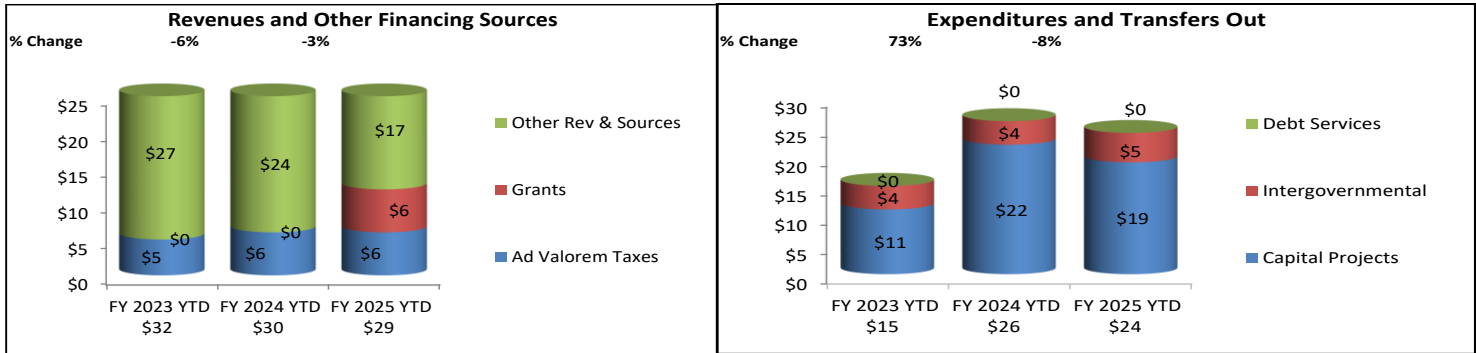
- **Revenues** and other financing sources have decreased slightly when compared to prior year funding. Grants for FY25 have increased due to the recording of \$5.6 million of revenue for the Home Means Nevada Initiative.
- **Expenditures** have decreased \$2 million or 8% from the prior year due to decreased budgeted capital outlay and projects associated with the ARPA funding.

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## BUSINESS TYPE FUNDS

Operating revenue in the Utility Fund was \$742,000 or 6% higher compared to last year due to an increase in customer base and an increase in sewer rates based on the consumer price index. Nonoperating income was \$954,000 or 50% higher compared to last year primarily due to increased investment interest. The golf course fund operating revenue was \$121,000 or 70% lower when compared to last year due to lower contract revenue and the timing of effluent water fee revenue. Lower operating expenses and higher nonoperating investment income contributed to a positive change in net assets. Operating revenue in the Building & Safety Fund decreased by \$397,000 or 19% compared to the previous year primarily due to a decrease in building permit revenue. Operating expenses were \$198,000 or 12% higher compared to the same period last year. The change in net assets in the Building and Safety fund was \$529,000 or 89% lower compared to the same period last year.

	Budget	YTD	Pr. Year YTD	YTD Versus	
				Budget	Pr. Year
<b>Utilities</b>					
Operating Revenue	\$ 24,844,490	\$ 12,580,001	\$ 11,838,205	51%	6%
Operating Expenses	(24,300,251)	(7,815,934)	(7,608,458)	32%	3%
Operating Income/(Loss)	544,239	4,764,067	4,229,746	875%	13%
Capital Contributions	8,276,000	3,761,457	3,530,964	45%	7%
Nonoperating/Other	1,350,142	2,844,647	1,890,479	211%	50%
Change in Net Assets	\$ 10,170,381	\$ 11,370,171	\$ 9,651,189	112%	18%
<b>Golf Course</b>					
Operating Revenue	\$ 427,000	\$ 52,893	\$ 173,483	12%	-70%
Operating Expenses	(3,704,207)	(142,529)	(196,587)	4%	-27%
Operating Income/(Loss)	(3,277,207)	(89,636)	(23,104)	3%	288%
Nonoperating/Other	45,195	107,798	69,259	239%	56%
Change in Net Assets	\$ (3,232,012)	\$ 18,162	\$ 46,155	-1%	-61%
<b>Building &amp; Safety</b>					
Operating Revenue	\$ 3,210,000	\$ 1,743,114	\$ 2,140,375	54%	-19%
Operating Expenses	(4,734,192)	(1,887,409)	(1,689,024)	40%	12%
Operating Income/(Loss)	(1,524,192)	(144,295)	451,351	9%	-132%
Nonoperating/Other	168,426	212,281	146,056	126%	45%
Change in Net Assets	\$ (1,355,766)	\$ 67,987	\$ 597,406	-5%	-89%