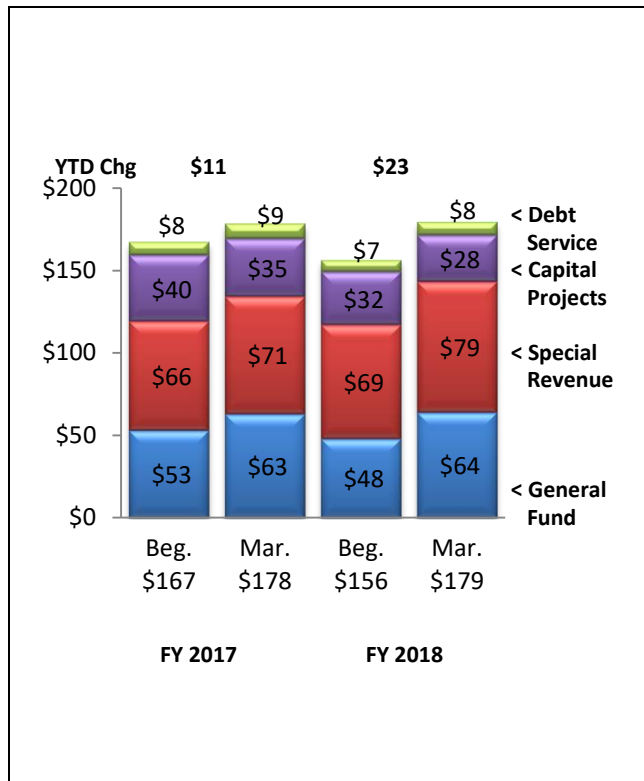


Washoe County Other Governmental Funds – Fiscal Year 2017/2018

Interim Financial Report for the Nine Months Ended March 31, 2018 - Unaudited

All \$ in Millions unless otherwise noted.

GOVERNMENTAL FUND BALANCE



- **Total Governmental Fund Balances** increased \$23 million year-to-date and increased \$1 million year over year.
- Fund balance in the **General Fund** increased \$16 year-to-date due to increases in Consolidated Tax (\$6 million) and Real Property Tax (\$9 million) and increase earnings on investments (\$1 million). Both figures are representative of the budgeted figures.
- Fund balances for **Special Revenue Funds** increased \$10 million year-to-date due to the timing of billings to the State for grants in the Child Protective Services Fund, a \$1.7 million grant for voting machines, increased Real Property tax, Motor Vehicle Fuel taxes and Consolidated tax, and a \$3 million transfer from the Stabilization Fund for flood related expenses, incurred in the prior fiscal year.
- Fund balances for **Capital Project** funds decreased from the prior year by \$7 million primarily due to spending on the East Incline Village Water Quality Improvement and North Valleys Recreation projects.

REVENUES AND EXPENDITURES (GOVERNMENTAL)

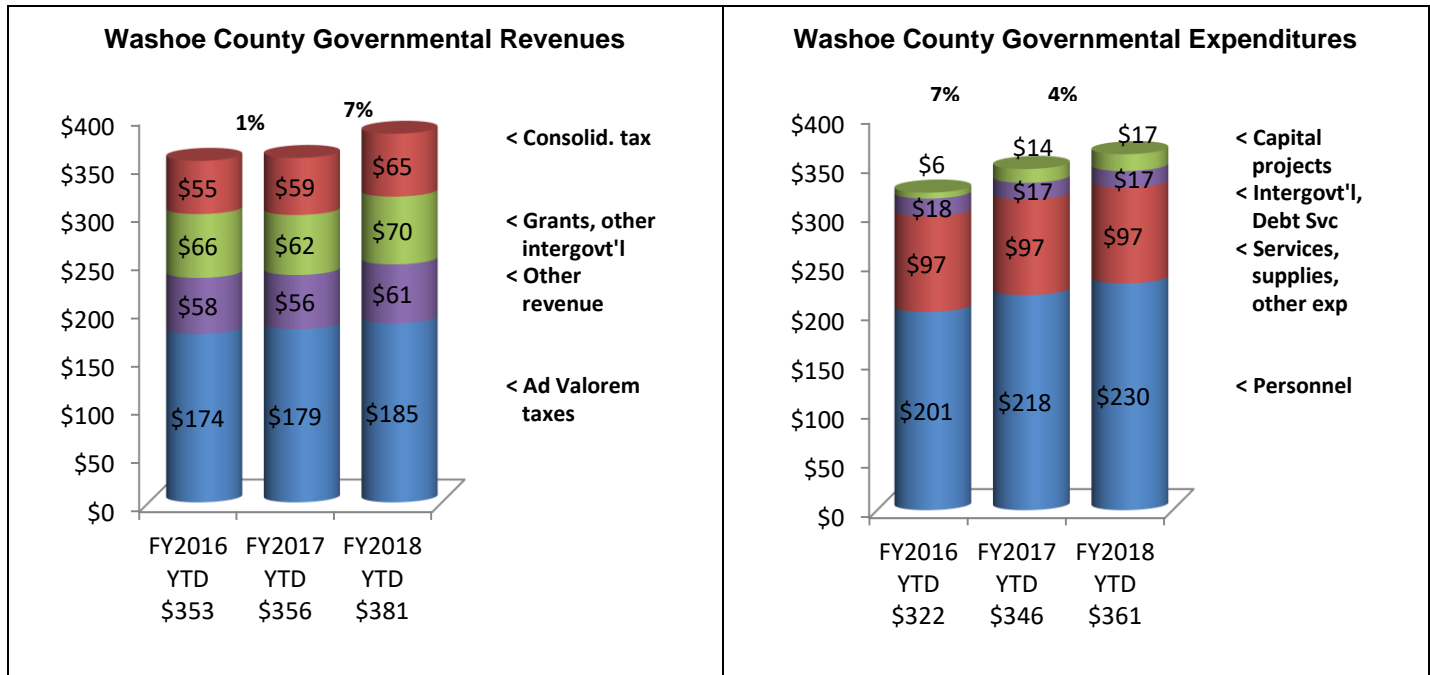
Total Governmental Revenues increased \$25 million (7%) over prior year, led by increases in Grant and other intergovernmental revenue due to timing of grant billings, primarily in the Child Protective Services Fund, local government operation costs for the WC Regional Communications and Regional Permits Systems and the City of Reno's contribution to the North Valleys Recreation project. Consolidated taxes have been received for the month of January and are up \$6 million (9%) over prior year. Ad valorem taxes are up \$6 million (4%) over prior year after the fourth distribution of real property taxes. All revenue sources that are tax based are in line with the FY18 plan budget projections for the year.

Total Governmental Expenditures increased \$15 million (4%) over prior year. Personnel costs increased \$12 million (5%) over prior year. Increases in base salaries and PERS expense are due to a 3% cost of living adjustment and new hires. Capital projects expenditures have increased \$3 million (21%) over the prior year due to the activity on the North Valleys Recreation project and the purchase of land to expand the Ballardini Trailhead. Services, supplies and other expenditures have remained flat when compared to the prior year.

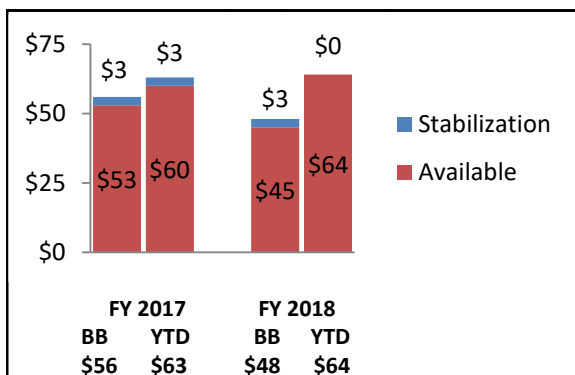
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GENERAL FUND



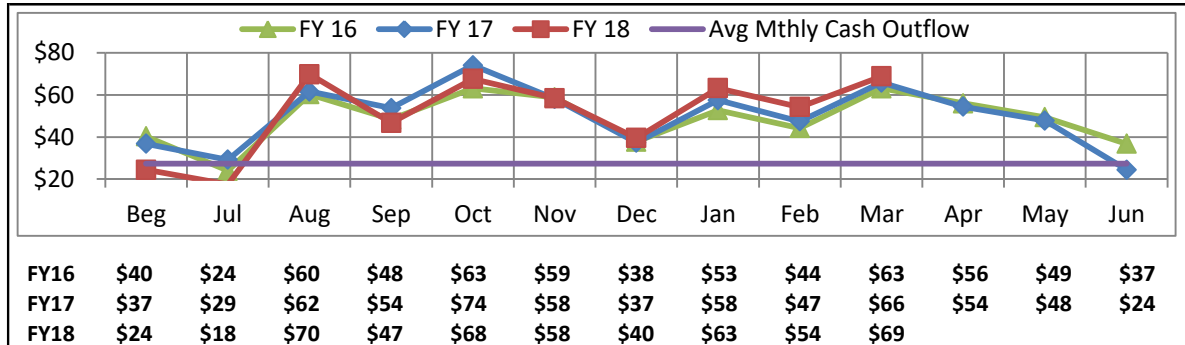
- General Fund - fund balance increased \$16 million year-to-date. The \$3 million balance for stabilization in the General Fund was transferred to Roads Fund. It is anticipated to use the \$3 million to pay expenses incurred by Washoe County to mitigate the effects of the 2017 floods. Increased fourth quarter purchasing is expected to use these funds.
- The available portion of cash balance (Trend of Available Cash) is \$3 million higher than prior year. The available cash portion of fund balance excludes funds held as deposits in the Courts and other departments.
- The cash balance continues to be monitored during low points in July and August before the first distribution of property tax is received at the end of August.
- The cash flow trend has been gradually increasing when compared to previous years.

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Trend of Available Cash – General Fund

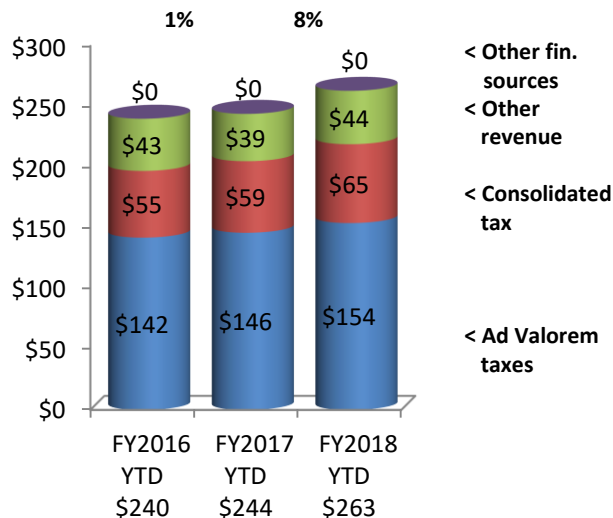


REVENUES, EXPENDITURES, AND OTHER FINANCING (GENERAL FUND)

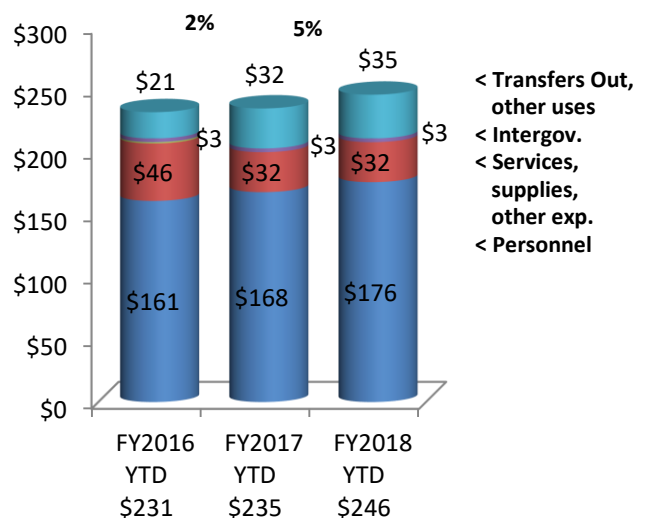
Revenues and other financing sources are up \$19 million or 8% over prior year. Ad valorem taxes increased \$8 million or 6% after the fourth real property tax distribution. Consolidated taxes increased \$6 million or 9%. Other revenue increased \$5 million or 13% due to increases in fines and forfeitures, SCCRT AB 104 and a change in the recording of unrealized gains/losses on investments. All revenue sources that are tax based are in line with the FY18 plan budget projections for the year.

- Expenditures** plus transfers out have increased \$11 million over prior year led by increased Personnel costs and increases in transfers out of the General Fund.

General Fund Revenues and Other Fin. Sources



General Fund Expenditures and Transfers Out

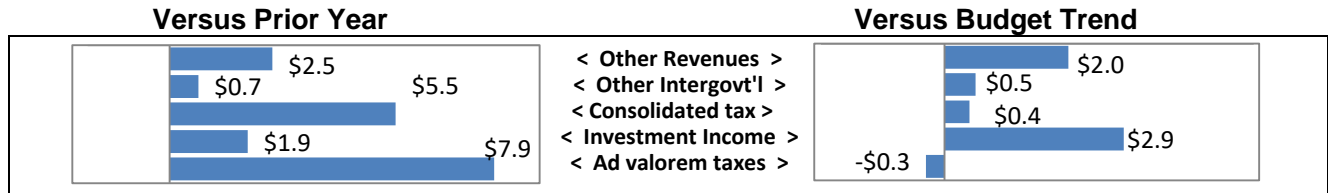


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KEY CHANGES IN REVENUES (GENERAL FUND)

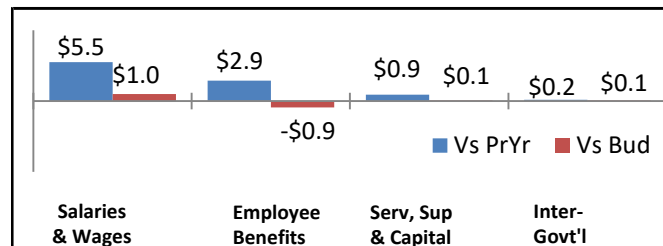


Consolidated taxes have been received for the month of January and are 9% or \$5.5 million ahead of prior year. Consolidated taxes are in line with the FY18 plan budget projections for the year.

Ad valorem taxes are 6% or \$7.9 million over prior year. Ad valorem taxes are in line with the FY18 plan budget projections for the year.

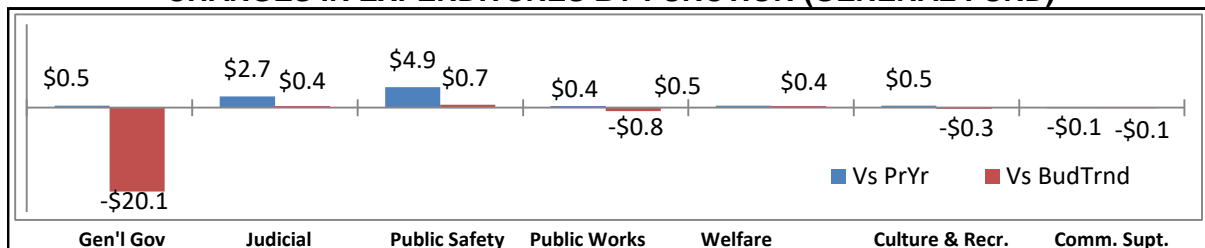
- **Other revenue** has increased 10% or \$2.5 million from prior year due primarily to decreases in overhead reimbursements.
- **Investment income** increased 475% or \$1.9 million due to rising interest rates causing increased earnings in pooled investments.

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



- Personnel costs are above prior year due to cost of living adjustments and PERS costs as well as new hires.
- Services, supplies and capital outlay costs are above prior year due to increases in charges for fuel, vehicle maintenance and replacement from the Equipment Services Fund and increases in professional services for medical services for the Detention Center.

CHANGES IN EXPENDITURES BY FUNCTION (GENERAL FUND)



- Expenditures increased from prior year for General Government, Judicial, Public Safety, and Culture and Recreation functions. The increases are primarily due to higher personnel costs. The Welfare, Community Support and Public Works functions remained consistent with prior year. The variance to budget in the

Washoe County Other Governmental Funds – Fiscal Year 2017/2018

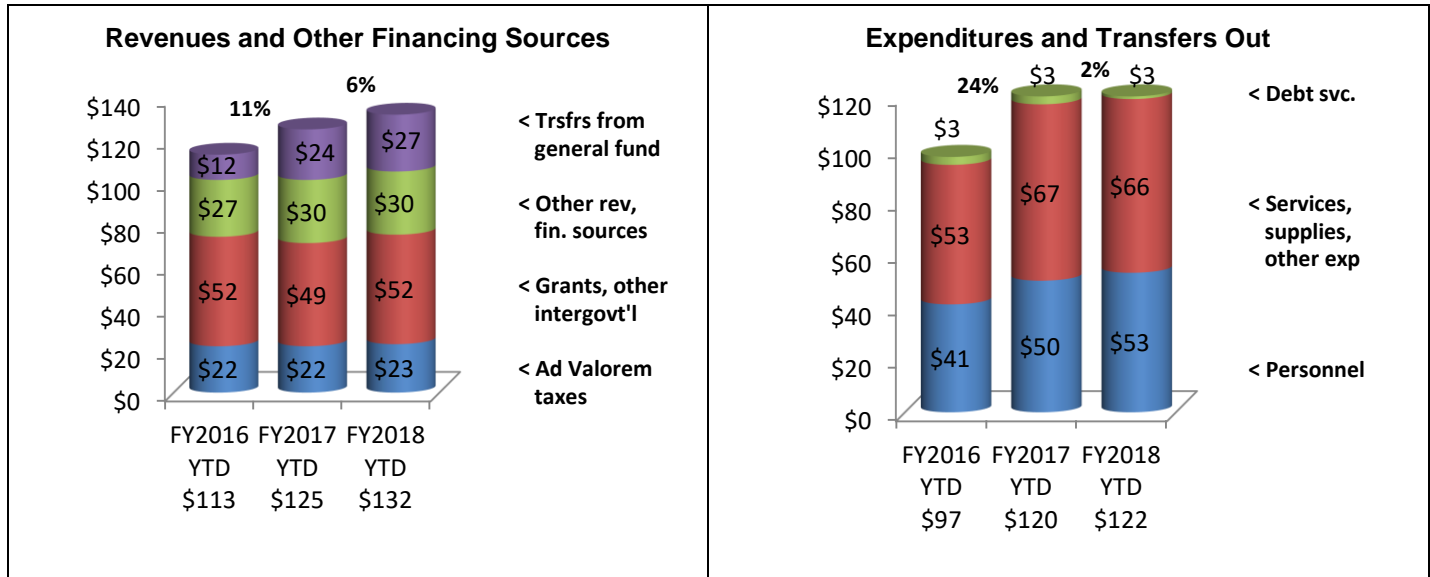
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General Government function is due to termination benefits paid out of vacation and sick leave not being budgeted in the individual departments, but actuals posting there.

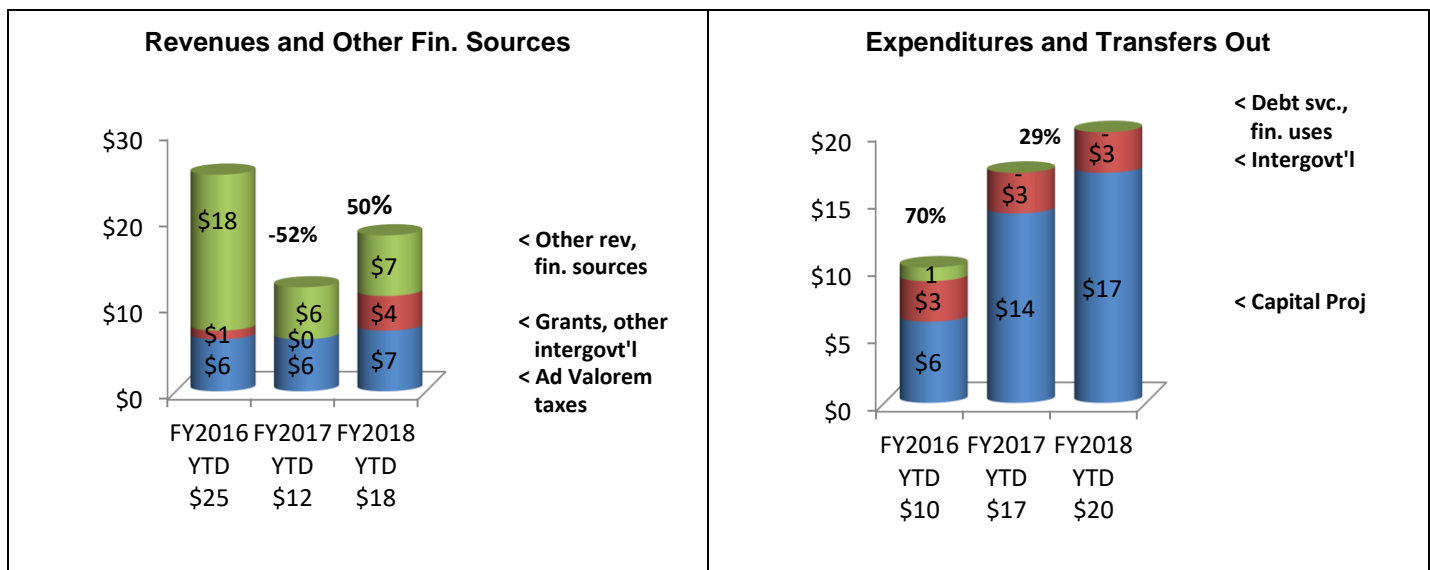
SPECIAL REVENUE FUNDS

- **Revenue** and other financing sources are 6% or \$7 million higher than prior year, primarily due to transfers from the General Fund to the Indigent Tax Levy Fund, improved timing of grant reimbursement requests and increased Ad Valorem taxes.
- **Expenditures** plus transfers out increased 2% or \$2 million over prior year due to increases in personnel costs for a cost of living adjustment effective July 1, 2017 and new hires.



CAPITAL PROJECTS FUNDS

- **Revenues** and other financing sources have increased 40% or \$6 million from prior year due to grant reimbursements for the East Incline Village Water Quality Improvement and Tahoe Bike Path Phase 5 projects.
- **Expenditures** plus transfers out have increased \$3 million associated with activity on the Tahoe Bike Path project and the purchase of new voting machines.



Washoe County Other Governmental Funds – Fiscal Year 2017/2018

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BUSINESS TYPE FUNDS

Note: To provide better comparative figures, Water Operations for the Utilities Fund was excluded from the analysis.

Operating revenue decrease in the Utilities Fund are due to decreased Reclaimed Water revenue. Operating expense increase for Utilities is due to repairs and maintenance for a pressure reducing valve at Veteran's Parkway and the South Truckee Meadows Water Reclamation roof and blower valve. The Golf Course Fund operating expense decrease is due to a \$1.7 million bad debt expense per the settlement and release agreement with the professional management services contractor, for Washoe Golf Course, approved by the BCC, on December 13, 2016 and expended in the prior fiscal year. Building and Safety operating revenue increased due to increases in building permits. The non-operating income in all Funds is due to a change in the recording of unrealized gains/losses on pooled investments.

\$ in thousands					
	Budget	YTD	Pr. Year YTD	YTD versus	
				Budget	Pr. Year
<u>Utilities</u>					
Operating Revenue	\$ 14,846	\$ 11,383	\$ 11,114	77%	2%
Operating Expense	(15,950)	(8,853)	(7,902)	56%	12%
Operating Income/(Loss)	(1,104)	2,530	3,212	229%	-21%
Capital Contributions	4,699	7,061	4,466	150%	58%
Nonoperating/Other	630	722	(563)	115%	28%
Change in Net Assets	\$ 4,225	\$ 10,313	\$ 7,115	244%	45%
<u>Golf Course</u>					
Operating Revenue	\$ 249	\$ 130	\$ 755	52%	-83%
Operating Expense	(401)	(262)	(2,196)	65%	-88%
Operating Income/(Loss)	(152)	(132)	(1,441)	87%	-91%
Nonoperating/Other	10	13	(3)	130%	333%
Change in Net Assets	\$ (142)	\$ (119)	\$ (1,444)	84%	-92%
<u>Building & Safety</u>					
Operating Revenue	\$ 3,300	\$ 2,340	\$ 1,989	71%	18%
Operating Expense	(3,433)	(2,073)	(1,983)	60%	5%
Operating Income/(Loss)	(133)	267	6	201%	4350%
Nonoperating/Other	30	40	(13)	133%	208%
Change in Net Assets	\$ (103)	\$ 307	\$ (7)	298%	4286%