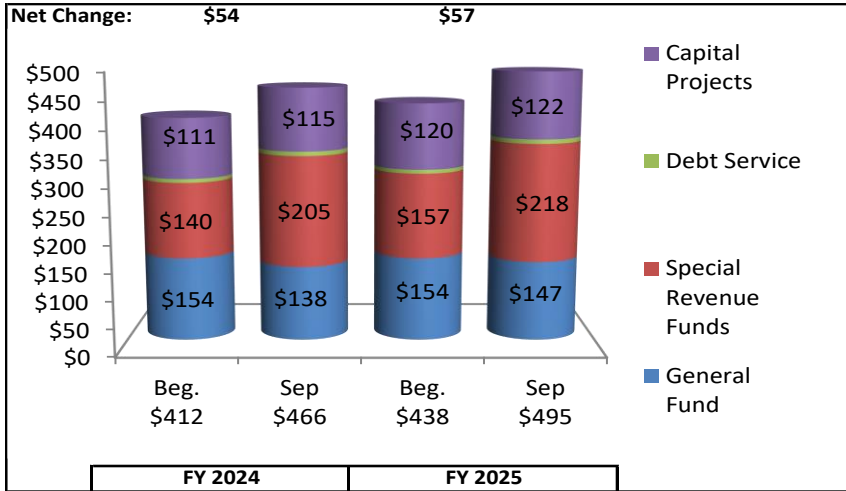


Washoe County Governmental Funds – Fiscal Year 2025
Interim Financial Report for the Three Months Ended September 2024 - Unaudited
All \$ in millions unless otherwise noted.

TOTAL GOVERNMENTAL FUNDS

GOVERNMENTAL FUND BALANCE



- **Total Governmental Fund Balances** increased \$57 million year-to-date and \$29 million when comparing this reporting period for fiscal year 2025 to fiscal year 2024.
- Fund balance in the **General Fund** decreased \$7 million year-to-date, primarily due to increases in personnel costs. When compared to the same period last year revenues are \$14 million higher. Expenditures and other financing uses increased by \$10 million mainly due to increased personnel costs of \$9.5 million.

- Fund balance for **Special Revenue Funds** increased \$61 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** increased \$1 million year to date due to the timing of debt payments and transfers in.
- Fund balance in **Capital Projects** increased \$2 million year to date due to budgeted transfers from the General Fund.

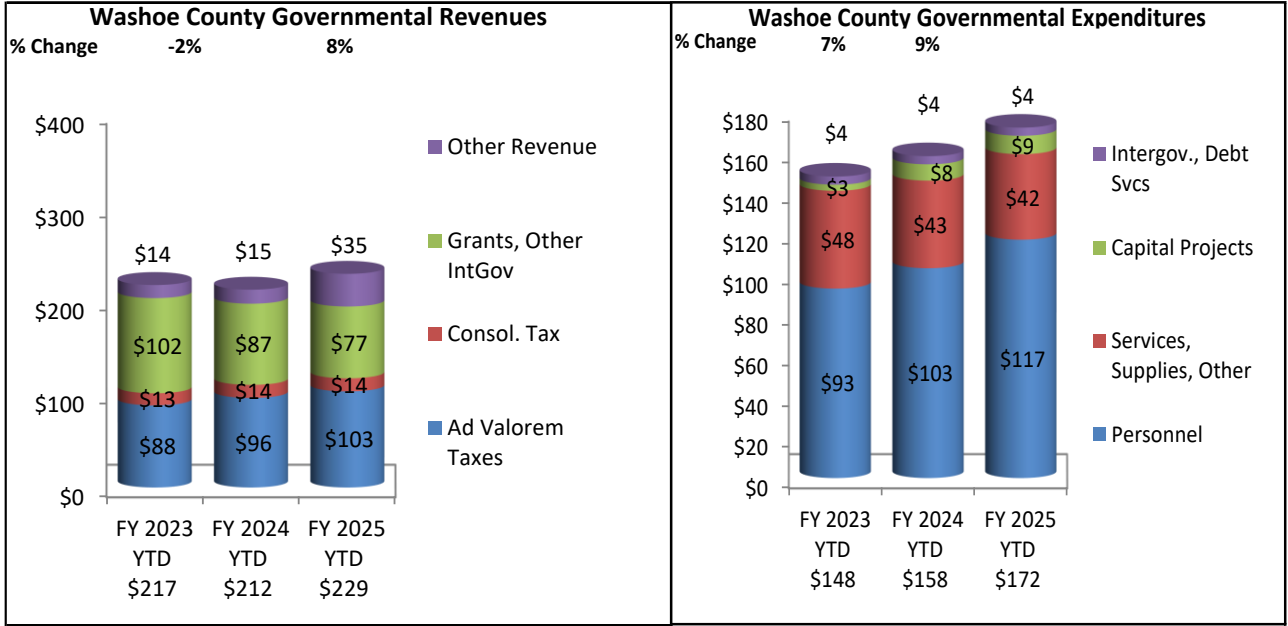
TOTAL GOVERNMENTAL REVENUES AND EXPENDITURES

Total Governmental Revenues increased \$17 million (8%) over prior year. Ad valorem taxes increased \$7 million (7%) and Other Revenue including Investment earnings increased by \$20 million (133%) with this being offset by grants and other intergovernmental revenue which are down \$10 million (-11%) 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 \$14 million (9%) 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 decreased by \$1 million (2%) while capital expenditure increased by \$1 million (6%) due to increased spending associated with the ARPA funds being spent in FY2025.

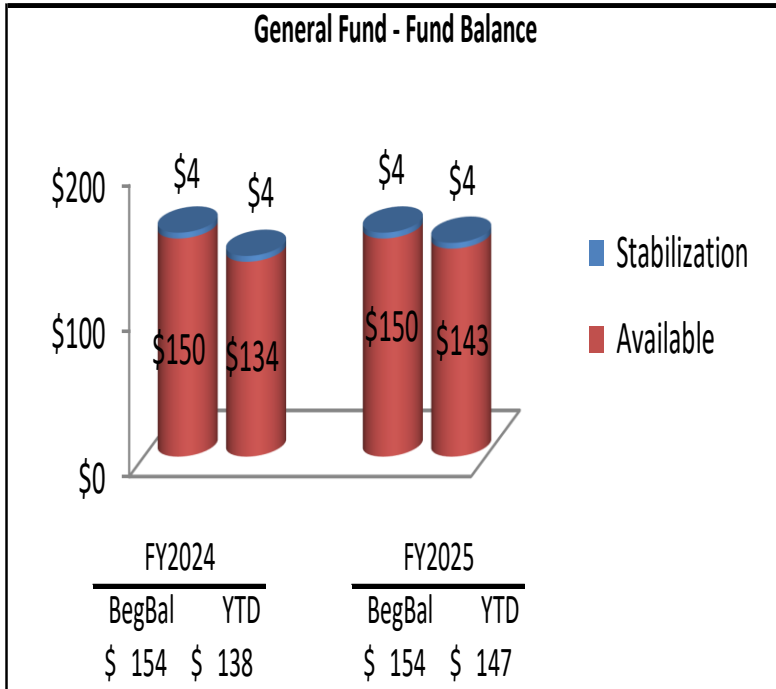
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TOTAL GOVERNMENTAL FUNDS



GENERAL FUND

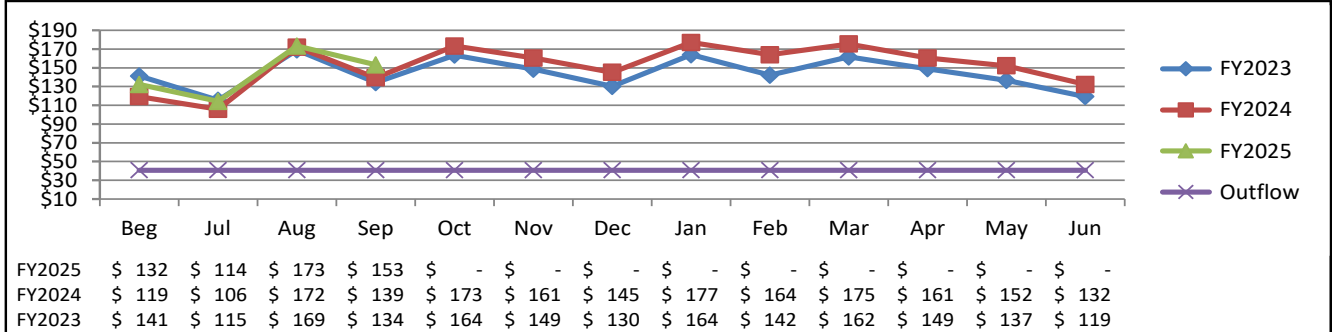
GENERAL FUND – FUND BALANCE



- General Fund unaudited ending fund balance increased \$9 million over last year and decreased \$7 million year-to-date (FY2025).
- The available portion of cash balance (next page) is \$14 million higher 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 has ended on June 30, 2024 and will not impact 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 \$41 million.
- Stabilization fund balance remains at the current Board's policy level of \$4 million.

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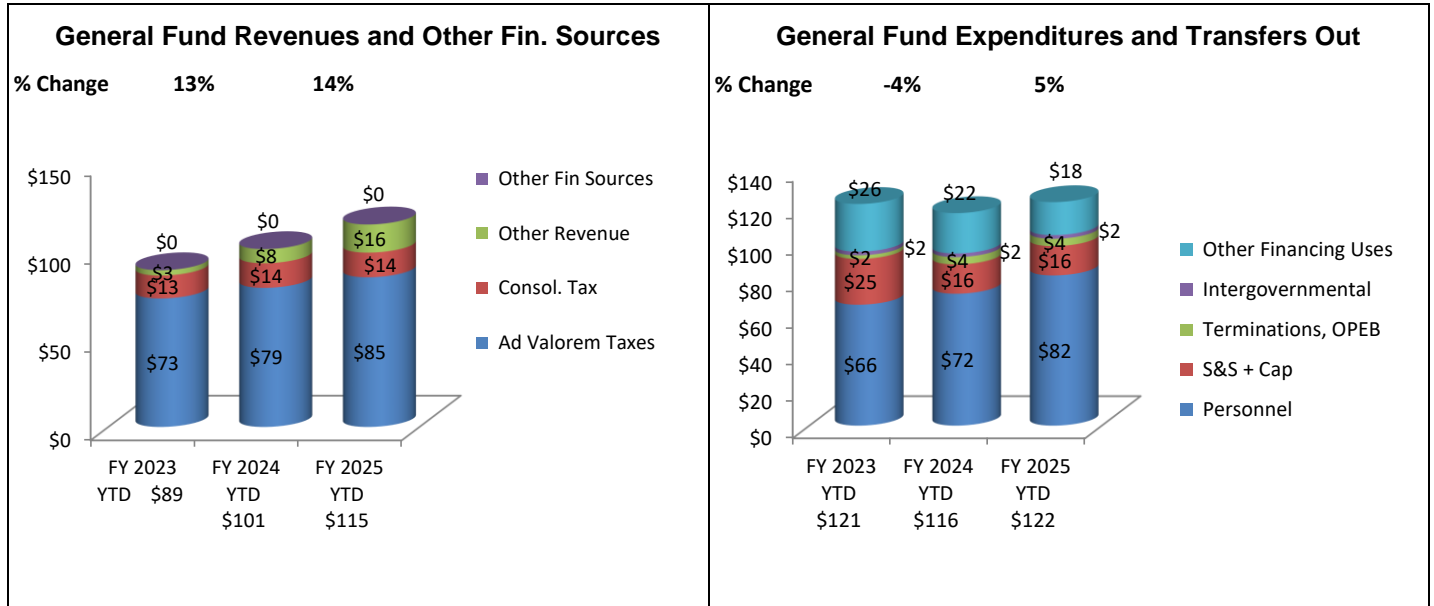
GENERAL FUND –TREND OF AVAILABLE CASH



GENERAL FUND REVENUES, EXPENDITURES, AND OTHER FINANCING

Revenues and other financing sources are \$14 million or 14% more than the prior fiscal year (FY 2024). Ad valorem taxes increased by \$6 million or 8%. Other revenue increased \$8 million mainly due to a \$10 million increase in investment earnings, a \$0.5 million decrease in other governmental revenues, and a \$0.5 million decrease in charges for services.

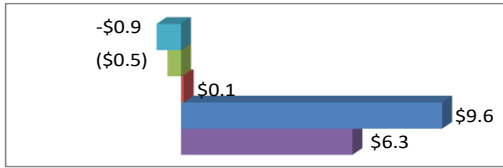
Expenditures plus transfers out have increased \$6 million or 5% when compared to the prior fiscal year. The increase in personnel costs of \$10 million is due to implementation of the Korn Ferry classification and compensation study, cost of living adjustment (COLAs), increased costs associated with PERS and filling budgeted new positions. The Other Financing Uses decrease of \$4 million reflects a decrease in transfers for planned capital projects to the Capital Improvement Fund from the General Fund.



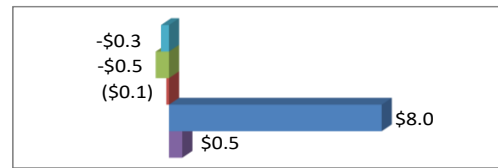
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GENERAL FUND KEY CHANGES IN REVENUES

Versus Prior Year



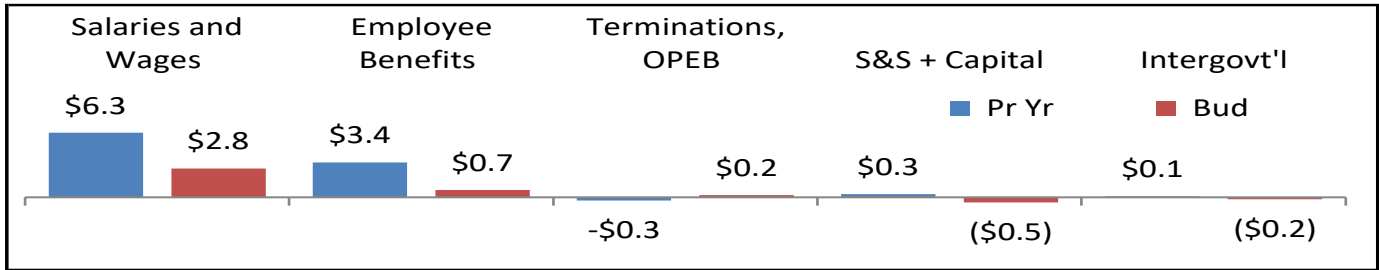
Versus Budget Trend



< Other Revenues >
 < Other Intergov't'l >
 < Consolidated Taxes >
 < Investment Income >
 < Ad Valorem Taxes >

Ad valorem taxes are up \$6.3 million or 8% over prior fiscal year due to increased assessed valuation and new development. **Consolidated taxes** remain consistent with prior year receipts. **Investment income** increased \$9.6 million or 533% over prior year due to higher market interest rates for investments in FY 2024.

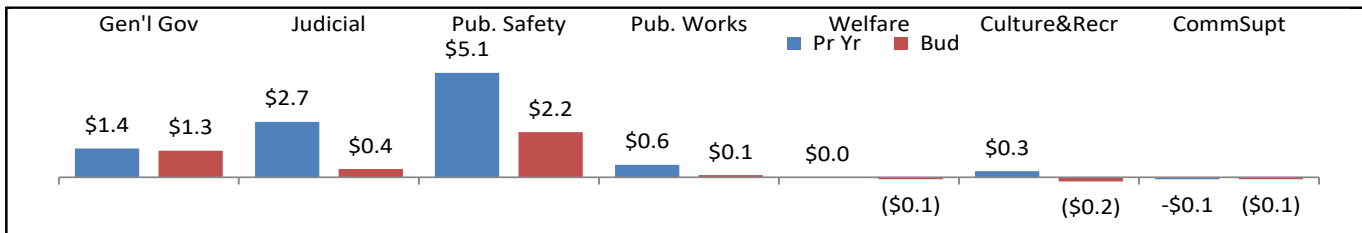
**GENERAL FUND CHANGES IN EXPENDITURES BY CATEGORY
 VERSUS PRIOR YEAR AND BUDGET TREND**



Personnel costs are higher than the prior fiscal year by \$6.3 million or 13% because of the implementation of the Korn Ferry salary adjustments, COLAs and annual merit increases and Employee Benefits costs are higher by \$3.4 million or 15% due to increased group insurance costs, employer HSA contributions, PERS retirement costs and contributions to OPEB.

Services and supplies and capital are lower than prior year by \$.3 million or -8% due to a prior year land purchase of \$5 million and a decrease in operating expenditures resulting from a reduction in refund payments due to the Incline Village settlements agreement ending on June 30, 2024.

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

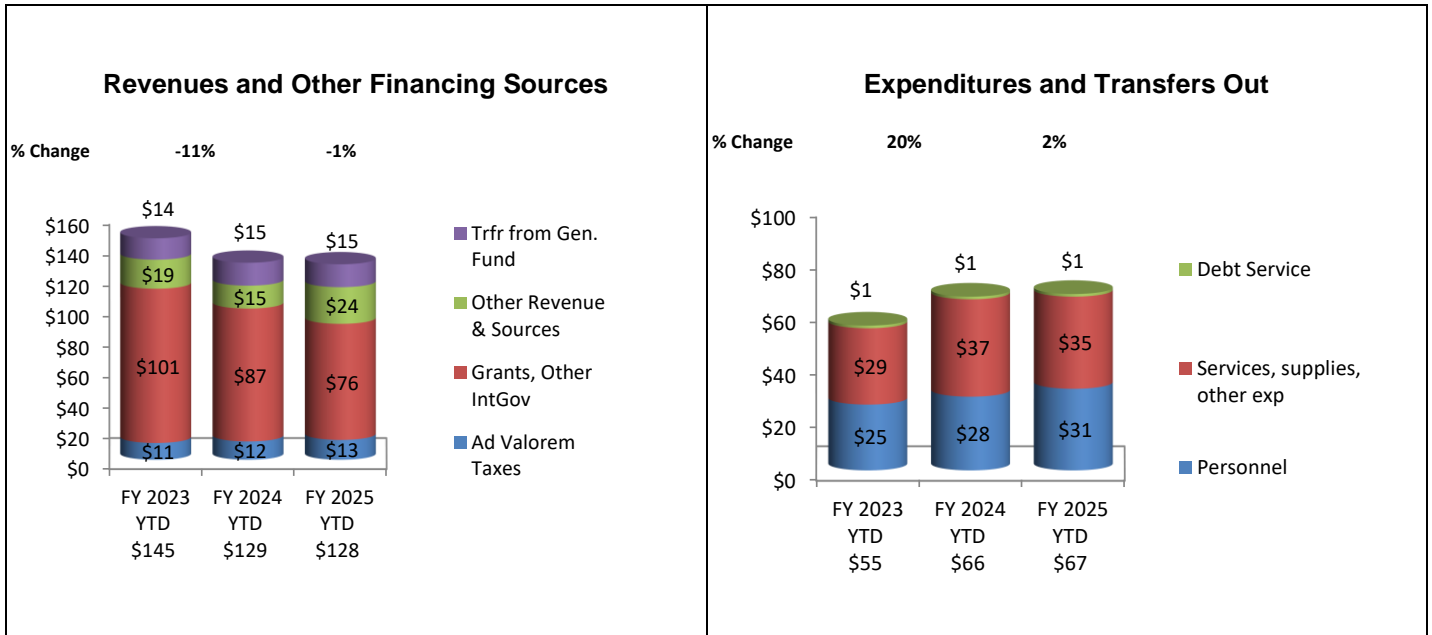


Expenditures have increased in several areas. General Government expenditures increased due to rising personnel costs. The increase in the judicial function is due to personnel costs and an increase in construction projects associated with the courts. The increase in public safety is due to personnel costs and an increase in operating supply costs and medical expenditures at the Sheriff's Office. The increase in Public Works is due to increased personnel costs and the increase in culture & recreation is due to personnel costs.

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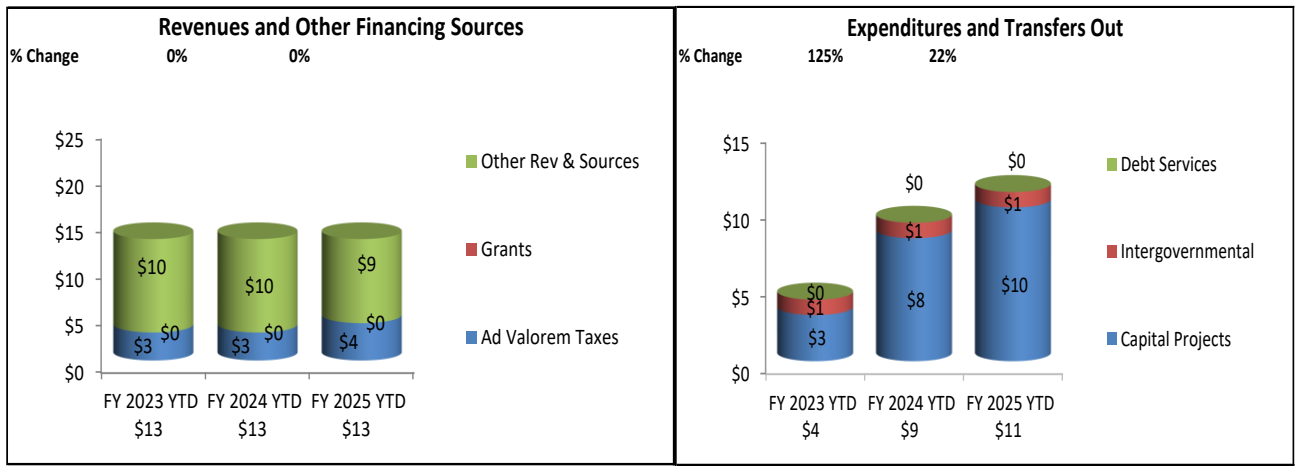
SPECIAL REVENUE FUNDS

- **Revenues and other financing sources** are down \$1 million or (1%) over the prior year, primarily due to decreased federal grant revenue from the SLFRF/ARPA funding associated with the COVID-19 pandemic of \$13 million offset by a \$2 million increase in Other Intergovernmental Revenues, and increases in Ad Valorem taxes of \$1 million and investment earnings of \$9 million.
- **Expenditures and transfers out** increased \$1 million or 2% over prior year due to increased personnel costs associated with cost-of-living adjustments, merit increases, PERS costs and implementation of the Korn Ferry classification and compensation study.



CAPITAL PROJECTS FUNDS

- **Revenues** and other financing sources have stayed the same when compared to prior year funding.
- **Expenditures** have increased \$2 million or 25% from the prior year due to increased budgeted capital outlay and projects associated with the ARPA funding.



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BUSINESS TYPE FUNDS

Operating revenue in the Utility Fund was \$419,000 or 7% higher when compared to last year due to an increase in customer base and an increase in sewer rates based on the consumer price index. Capital contributions were \$1 million or 92% higher compared to the same period last year primarily due to increased sewer connection fee revenue. Nonoperating investment income was significantly higher primarily due to a \$3.8 million swing from unrealized loss to a gain compared to the same period last year, contributing to a 305% increase of change in net assets. The golf course fund saw a small operating profit compared to last year due to increased revenues. Nonoperating investment income contributed to the increased change in net assets. Operating income in the Building & Safety Fund decreased by \$331,000 compared to the previous year primarily due to a decrease in building permit revenue. Nonoperating income was significantly higher compared to the same period last year primarily due to unrealized investment gains.

	Budget		YTD		Pr. Year	YTD Versus		
					YTD	Budget	Pr. Year	
Utilities								
Operating Revenue	\$	24,844,490	\$	6,244,487	\$	5,825,157	25%	7%
Operating Expenses		(24,300,251)		(3,870,327)		(3,994,336)	16%	-3%
Operating Income/(Loss)		544,239		2,374,160		1,830,821	436%	30%
Capital Contributions		8,276,000		2,189,757		1,140,730	26%	92%
Nonoperating/Other		1,350,142		2,841,656		(1,141,698)	210%	-349%
Change in Net Assets	\$	<u>10,170,381</u>	\$	<u>7,405,574</u>	\$	<u>1,829,852</u>	73%	305%
Golf Course								
Operating Revenue	\$	427,000	\$	29,100	\$	51,973	7%	-44%
Operating Expenses		(3,704,207)		(74,980)		(75,350)	2%	0%
Operating Income/(Loss)		(3,277,207)		(45,880)		(23,377)	1%	96%
Nonoperating/Other		45,195		99,151		(29,953)	219%	-431%
Change in Net Assets	\$	<u>(3,232,012)</u>	\$	<u>53,271</u>	\$	<u>(53,330)</u>	-2%	-200%
Building & Safety								
Operating Revenue	\$	3,210,000	\$	972,901	\$	1,240,743	30%	-22%
Operating Expenses		(4,734,192)		(930,719)		(867,789)	20%	7%
Operating Income/(Loss)		(1,524,192)		42,182		372,954	-3%	-89%
Nonoperating/Other		168,426		195,791		(58,881)	116%	-433%
Change in Net Assets	\$	<u>(1,355,766)</u>	\$	<u>237,973</u>	\$	<u>314,074</u>	-18%	-24%