

# WASHOE COUNTY

## POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2018

### WASHOE COUNTY GOVERNMENTAL ACTIVITIES

- GENERAL GOVERNMENT
- JUDICIAL
- PUBLIC SAFETY
- PUBLIC WORKS
- HEALTH AND SANITATION
- WELFARE
- CULTURE AND RECREATION
- COMMUNITY SUPPORT

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## ABOUT WASHOE COUNTY

Washoe County is located along the eastern slopes of the majestic Sierra Nevada mountains in northwestern Nevada. The county covers an area of 6,600 square miles and has a population of over 450,000.

The county seat is the City of Reno, the third largest city in Nevada. It's also home to the City of Sparks, the state's fifth largest city, and Incline Village at Lake Tahoe. The population base for the County is split with nearly half the population in the incorporated City of Reno, one quarter in Sparks, and one quarter in the unincorporated areas.

## Message from the Comptroller

To the Citizens of Washoe County:

I am pleased to present to you the Washoe County Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2018. This report is intended to increase awareness throughout the community of the financial operations of the County. As such, this report is written in a user friendly manner that summarizes and communicates the County's overall financial condition. Washoe County's financial activities are made up of two main classifications: governmental activities and business-type activities. Governmental activities include all primary governmental functions such as judicial, public safety, public works, welfare, etc. Business-type activities include a sewer utility, golf courses and building permits.

In addition to providing financial information, it is important to demonstrate what makes Washoe County a great place to live, work, and invest. The County is growing as new citizens and businesses continue to relocate to northern Nevada.

Financial information within this report is derived in large part from the County's 2018 independently audited set of financial statements prepared in accordance with generally accepted accounting principles. These audited statements are part of the County's Comprehensive Annual Financial Report (CAFR) available at <https://www.washoecounty.us/comptroller/CAFR/index.php>

Respectfully,  
Cathy Hill  
Comptroller



Great Reno Balloon Race

*Nevada is consistently rated one of the top ten most business friendly states.*

## Washoe County Values

**Integrity**—We are dedicated to uncompromising honesty in our dealings with the public and each other in conformance with our code of conduct.

**Effective Communication**—We believe in simple, accurate, and clear communication. We encourage the open exchange of ideas and information.

**Quality Public Service**—The County exists to serve the public. We put the needs and expectations of citizens first and take pride in delivering services of the highest quality.

**Mission**—We work together regionally to provide and sustain a safe, secure and healthy community.

**Strategic Direction**—Washoe County will be the social, economic and policy leadership force in Nevada and in the western United States.



Rancho San Rafael Park

## Washoe County Initiatives

- ◆ Washoe County currently has a Strategic Planning committee to focus specifically on economic development and its impacts in our community. The group seeks to address and define the impact of Washoe County services in terms of cost of resources.
- ◆ The County's new centralized service center, Washoe 311 was completed. This service center answers citizens requests and fields and responds to internal requests.
- ◆ Washoe County partnered with the State of Nevada and local regional partners to secure leasing nearly a dozen buildings on the Northern Nevada Adult Mental Health System campus to expand the County's Crossroads program and enhance homeless services for the community.

# Local Economy and Outlook



Over the last year, Washoe County continued to show signs of an improving economy since the Great Recession, but signs of a slow down may be on the horizon going forward. Some economic measures and indicators of the local economy include:

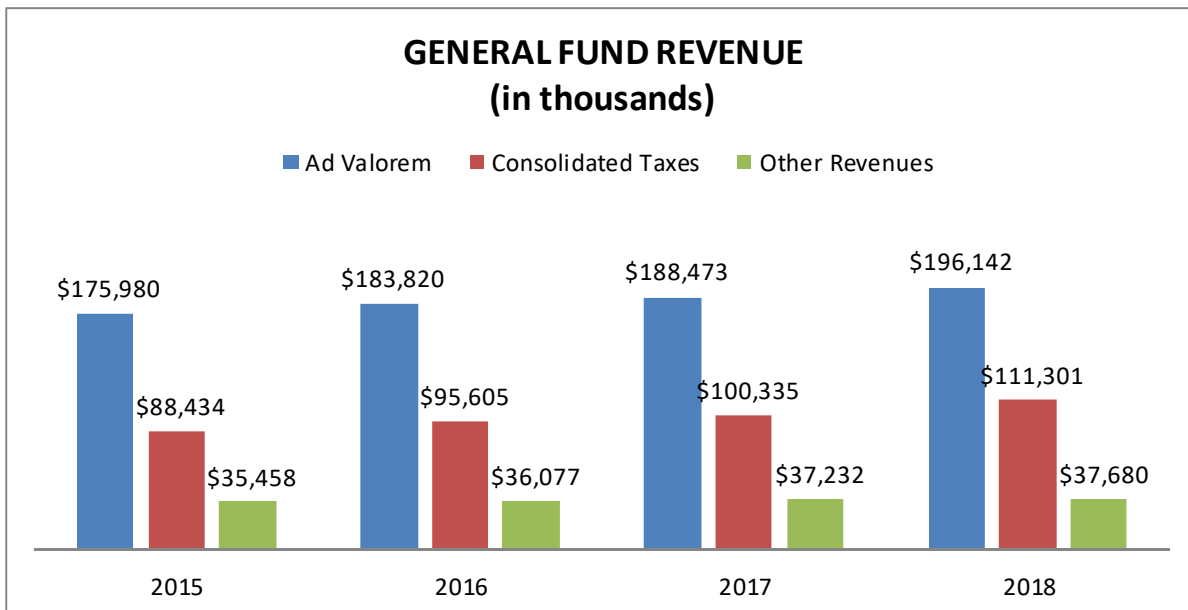
- The median home prices increased by 16% over the prior year, but existing home sales decreased 7.5% over the prior year, and lack of affordable housing has become a significant issue in the County
- The population continued to grow, and from 2017 to 2018 increased by approximately 2%
- Employment growth has been strong, with the number of new jobs added growing at a rate of 4% annually, however, employment is a lagging economic indicator
- Industrial buildings vacancy rates continue to drop with new ongoing construction.

## CONTACT THE COUNTY

www.washoecounty.us /  Washoe County  @WashoeCounty

# General Fund Revenue

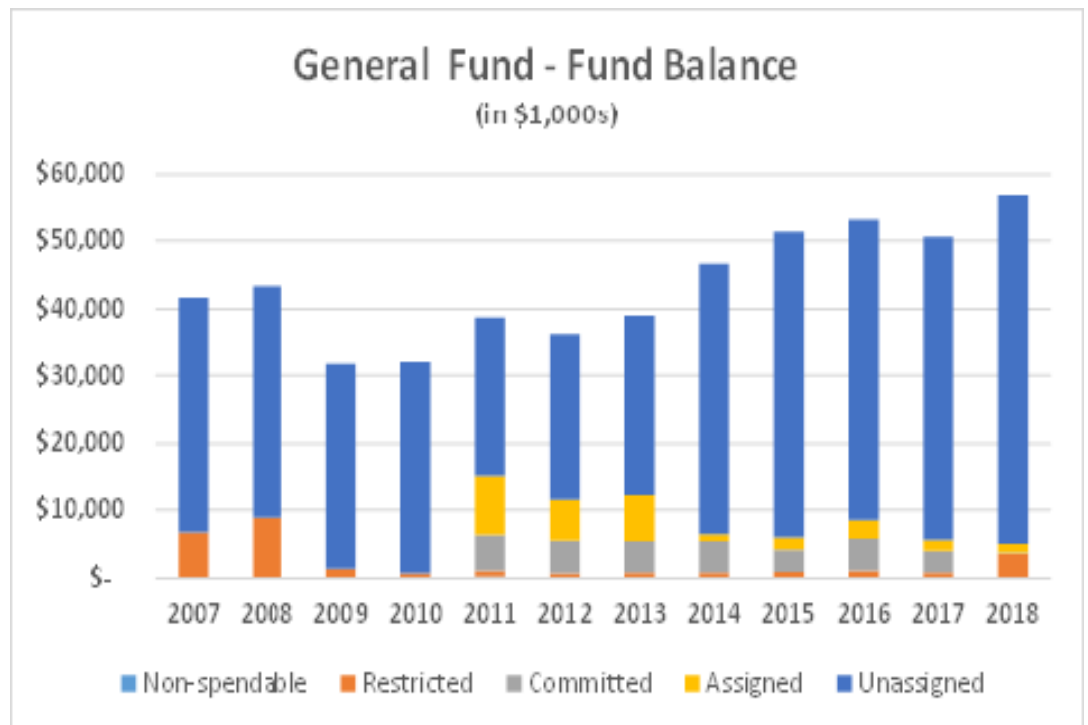
The two largest sources of revenue for Washoe County are ad valorem taxes, which are based on assessed property values, and consolidated taxes, which are based primarily on taxable sales, and also include motor vehicle registration fees, cigarette and liquor taxes, and other components. These revenue sources are expected to see continued moderated growth in the coming fiscal year. Ad valorem taxes on existing residential homes are capped at 3% annual increases by Nevada state law. Other revenue sources include charges for services, grants, licenses and permits.



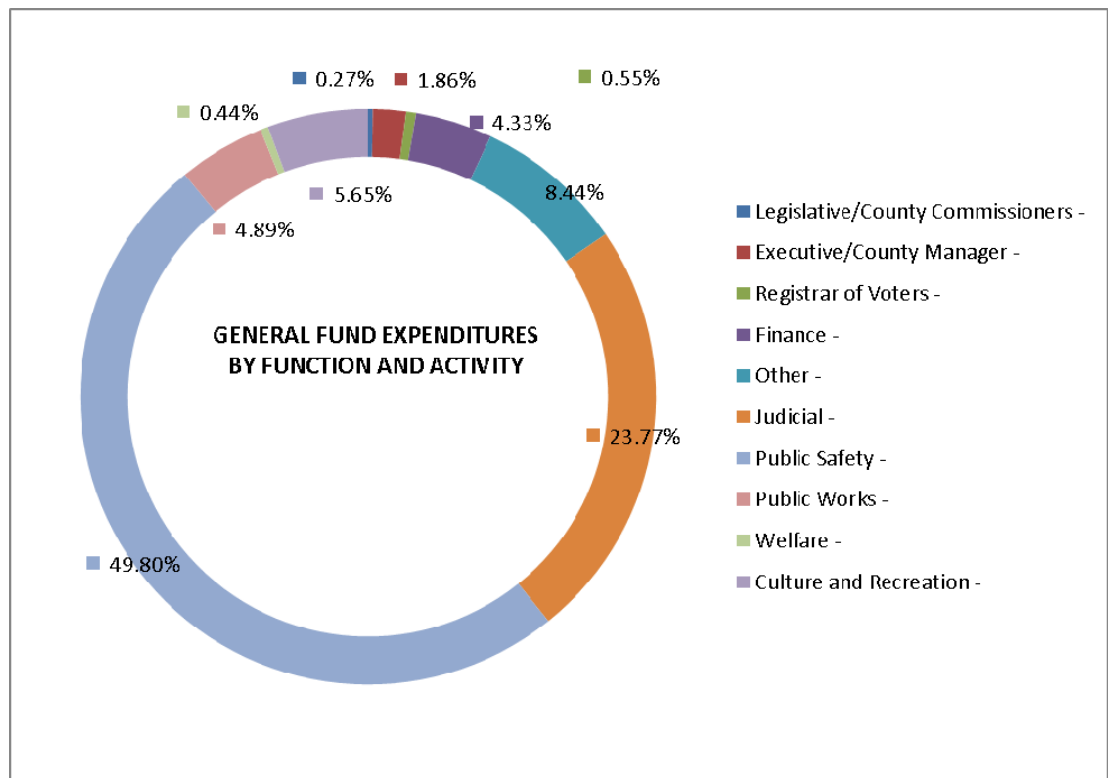
**Revenues from ad valorem taxes have risen over the past 4 fiscal years.**

*The General Fund Budget and Actual Expenditures—the General Fund is the County’s main operating fund and supports many of the resources the community expects from the County.*

*Washoe County’s General Fund balance trend line shows moderate increase over the last 10 years. Washoe County cautiously navigated through the Great Recession (2007-2010) and 2 federally recognized natural disasters in 2017 to preserve its financial health. General Fund balance meets minimums established by Nevada Revised Statutes.*



Fund balance includes components that are non-spendable, legally restricted and otherwise committed or assigned.



## Property tax rates—2018

### Tax rates per \$100 assessed valuation

<p>General/County Operating</p> <p style="padding-left: 40px;">Rate - 1.0204</p> <p>Voter Approved:</p> <p style="padding-left: 40px;">Child Protective Services - .0400</p> <p style="padding-left: 40px;">Regional Animal Services - .0300</p> <p style="padding-left: 40px;">Senior Services - .0100</p> <p style="padding-left: 40px;">Library Expansion - .0200</p> <p style="padding-left: 40px;">Debt Service - .0150</p>	<p>Legislative Overrides:</p> <p style="padding-left: 40px;">Indigent Insurance - .0150</p> <p style="padding-left: 40px;">Indigent Health - .0600</p> <p style="padding-left: 40px;">Capital Acquisition - .0500</p> <p style="padding-left: 40px;">Youth Services - .0075</p> <p style="padding-left: 40px;">Detention Center - .0774</p> <p style="padding-left: 40px;">Family Court - .0192</p> <p style="padding-left: 40px;">AB 104 Fair Share Tax - <u>.0272</u></p> <p style="padding-left: 40px;">TOTAL - 1.3917</p>
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**CONTACT THE COUNTY**

[www.washoecounty.us](http://www.washoecounty.us)
 /Washoe County
 @WashoeCounty

## DEBT (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 96,718	\$ <b>103,114</b>	\$ 11,975	\$ <b>14,291</b>	\$ 108,693	\$ 117,405
Revenue Bonds	34,312	<b>35,152</b>	-	-	34,312	35,152
Special Assessment Bonds	4,660	<b>5,278</b>	-	-	4,660	5,278
Total	\$ 135,690	\$ 143,544	\$ 11,975	\$ 14,291	\$ 147,665	\$ 157,835

Outstanding debt related to governmental activities decreased by \$8 million due to regularly scheduled principal payments, discounts, premiums and deferred charges on refunding. The current debt limitation for the County is \$1.6 billion which is \$1.4 billion in excess of the County's outstanding general obligation debt.

**Key Terms:**

Governmental funds: The County maintains various governmental funds that are used to account for tax, program and other miscellaneous revenues.

Business-type Funds: The County maintains various business-type funds that are used to account for activities for which a fee is charged to external users for goods or services.

Assets: What is owned by the County.

Liabilities: What the County owes.

Net Assets: The difference between the County's assets and liabilities. It is the net worth of the County.

Current and other assets: Includes such items as pooled cash and investments, receivables, internal balances, inventories, deposits with others and prepaid items and .

Capital assets: Includes such items as County land, easements, construction in progress, software, equipment, infrastructure and buildings and improvements net of depreciation.

# Government Wide Statement of Net Assets (in 000's)

	Governmental Activities		Business-Type Activities	
	2018	2017	2018	2017
<b>Assets</b>				
Current and other assets	\$ 396,684	\$ 229,985	\$ 149,700	\$ 107,094
Capital assets	321,690	490,718	115,237	143,237
<b>Total Assets</b>	<b>\$ 718,374</b>	<b>\$ 720,703</b>	<b>\$ 264,937</b>	<b>\$ 250,331</b>
<b>Deferred outflows of resources</b>	95,534	102,115	1,621	1,690
<b>Liabilities</b>				
Current liabilities	\$ 852,343	\$ 604,541	\$ 22,523.00	\$ 20,742
Noncurrent liabilities due within 1 year	39,368	36,883	2,595	2,638
Noncurrent liabilities due in more than one year	2,393	2,516	0	0
<b>Total Liabilities</b>	<b>\$ 894,104</b>	<b>\$ 643,940</b>	<b>\$ 25,118</b>	<b>\$ 23,380</b>
<b>Deferred inflows of resources</b>	37,374	31,205	473	355
<b>Net Assets</b>	<b>\$ (117,570)</b>	<b>\$ 147,673</b>	<b>\$ 240,967</b>	<b>\$ 228,286</b>

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities exceeded assets by \$117,570 at June 2018. This is driven by the recording of a long term liability in the amount of \$264 million associated with the County's proportionate share of Nevada OPEB liability. Information on Other Post Employment Benefits (OPEB) can be found at [https://www.washoecounty.us/comptroller/board\\_committees/OPEB/index.php](https://www.washoecounty.us/comptroller/board_committees/OPEB/index.php).



Red Hawk Golf Course



CONTACT THE COUNTY

[www.washoecounty.us](http://www.washoecounty.us)



/Washoe County



@WashoeCounty

# Statistics at a Glance

Building permits reviewed	-	4,157
Business licenses issued	-	5,942
New businesses	-	919
Voter turnout	-	69,260
311 call center requests	-	8,218
Number of adoptions finalized	-	159
Animal Services		
Reunified pets	-	5,095
Microchips	-	3,047
Washoe County budget	-	\$635 million

Principal employers:		
Washoe County School District		
University of Nevada, Reno		
Renown Medical Center		
Washoe County		
Peppermill Hotel Casino		
Paved streets (miles)	-	723
Unpaved streets (miles)	-	362
Volumes borrowed		
from library	-	1,958

# BOARD OF COUNTY COMMISSIONERS

## BOARDS & COMMITTEES

our Commissioners serve on

In addition to serving as our Board of County Commissioners, they also serve on a number of boards & committees throughout the region.



District 1 Commissioner  
Chair Marsha Berkbigler

Board of Fire Commissioners (TMFPD)  
Community Homelessness Advisory Board *(alternate)*  
Economic Development Authority of Western Nevada (EDAWN)  
Nevada Tahoe Conservation District Board of Supervisors  
Tahoe Prosperity Center Board of Directors  
Tahoe Regional Planning Agency Governing Board  
Tahoe Transportation District Board of Directors  
Tahoe Transportation Commission  
Truckee Meadows Regional Planning Agency Governing Board  
Truckee Meadows Water Authority Board *(alternate)*  
Truckee River Flood Management Authority *(alternate)*  
Washoe County Investment Committee  
Washoe County Legislative Liaison



District 2 Commissioner  
Bob Lucey

Board of Fire Commissioners (TMFPD)  
Community Homelessness Advisory Board  
Economic Development Authority of Western Nevada (EDAWN) *(alternate)*  
Nevada Association of Counties Board of Directors (NACO)  
Regional Transportation Commission  
Reno-Sparks Convention & Visitors Authority  
Tahoe Regional Planning Agency Governing Board *(alternate)*  
Tahoe Transportation District Board of Directors *(alternate)*  
Tahoe Transportation Commission *(alternate)*  
Truckee Meadows Water Authority Board  
Truckee River Flood Management Authority  
Washoe County Debt Management Commission  
Washoe County School District Capital Funding Protection Committee  
Washoe County School District Oversight Panel  
Western Regional Water Commission



District 3 Commissioner  
Vice-Chair Kitty Jung

Board of Fire Commissioners (TMFPD)  
Community Homelessness Advisory Board  
Nevada Works  
Statewide Partnership on Opioid Crisis  
Truckee Meadows Water Authority Board *(alternate)*  
Truckee River Flood Management Authority *(alternate)*  
Washoe County Animal Services Advisory Board  
Washoe County Criminal Justice Advisory Committee  
Washoe County Internal Audit Committee  
Washoe County District Board of Health  
Washoe County Investment Committee  
Washoe County Open Space and Regional Parks Commission Liaison  
Washoe County Senior Services Advisory Board Liaison  
Washoe County Stadium Authority



District 4 Commissioner  
Vaughn Hartung

Board of Fire Commissioners (TMFPD)  
Nevada Association of Counties Board of Directors  
Regional Transportation Commission  
Truckee Meadows Regional Planning Agency Governing Board  
Truckee Meadows Water Authority Board  
Truckee River Flood Management Authority  
Washoe County Senior Services Advisory Board Liaison *(alternate)*  
Washoe County Stadium Authority  
Washoe-Storey Conservation District  
Western Regional Water Commission



District 5 Commissioner  
Jeanne Herman

Board of Fire Commissioners (TMFPD)  
Nevada Works *(alternate)*  
State Land Use Planning Advisory Council (SLUPAC)  
Truckee Meadows Regional Planning Agency Governing Board  
Truckee Meadows Water Authority Board *(alternate)*  
Truckee River Flood Management Authority *(alternate)*  
Verdi Television District (Liaison)  
Vya Conservation District  
Washoe County School District Capital Funding Protection Committee  
Washoe County School District Oversight Panel  
Western Nevada Development District  
Western Regional Water Commission