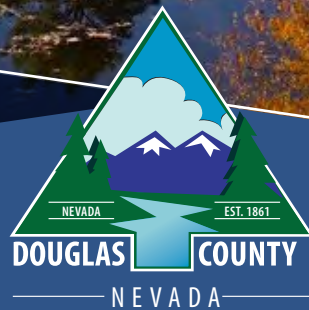
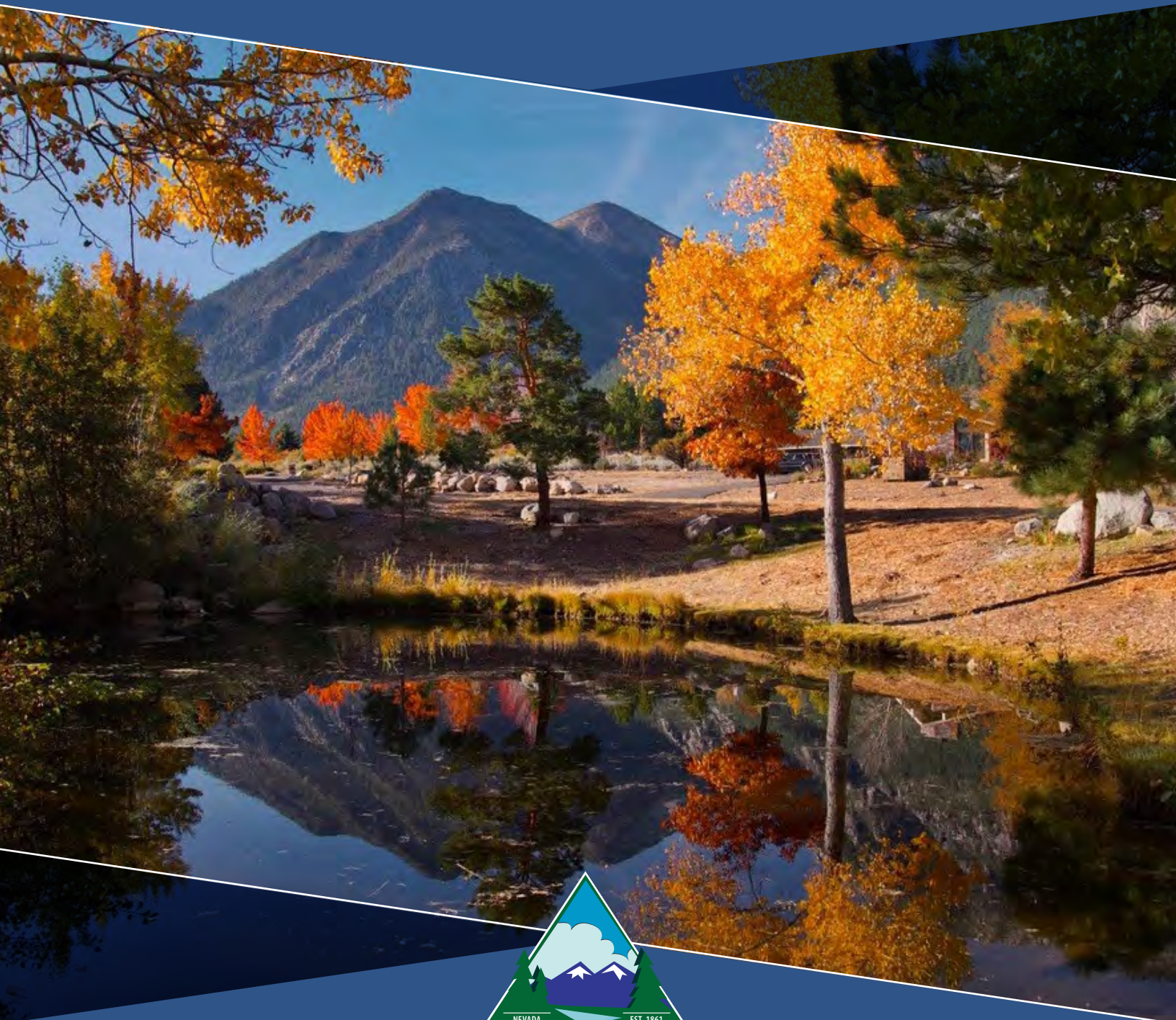


# POPULAR ANNUAL FINANCIAL REPORT

DOUGLAS COUNTY, NEVADA  
FISCAL YEAR ENDED JUNE 30, 2020



GREAT PEOPLE, GREAT PLACES

# WELCOME

## What's inside

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### Find us on social media:



Dear Reader;

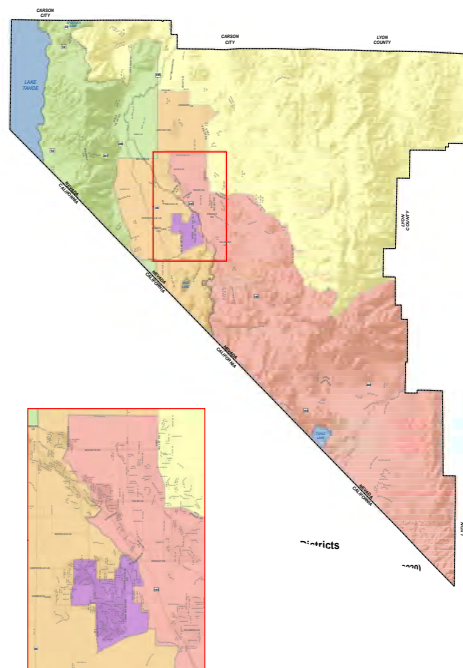
In an effort to provide the citizens of Douglas County with transparent financial information, I am pleased to submit Douglas County's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2020.

This report provides a condensed overview of the County's financial position, including sources of revenues and expenditures, based on the audited results found in the Douglas County Comprehensive Annual Financial Report (CAFR). In this report, we seek to provide financial information to residents and other interested parties in a concise, easy-to-read format. For more in-depth information about financial, investment, statistical, and compliance aspects of Douglas County, please reference the Douglas County CAFR, which is available online at:

[www.douglascountynv.gov/UserFiles/Servers/Server\\_12493019/File/Finance/Financial%20Reports/2020%20County%20of%20Douglas%20CAFR%20Final\\_Web%20Version.pdf](http://www.douglascountynv.gov/UserFiles/Servers/Server_12493019/File/Finance/Financial%20Reports/2020%20County%20of%20Douglas%20CAFR%20Final_Web%20Version.pdf)






I hope that you find this publication helpful. We encourage you to access the Finance Department's page on the County's website at <https://www.douglascountynv.gov/government/departments/finance> or contact the Finance Department at (775) 782-6202.

Terri A. Willoughby,  
Chief Financial Officer



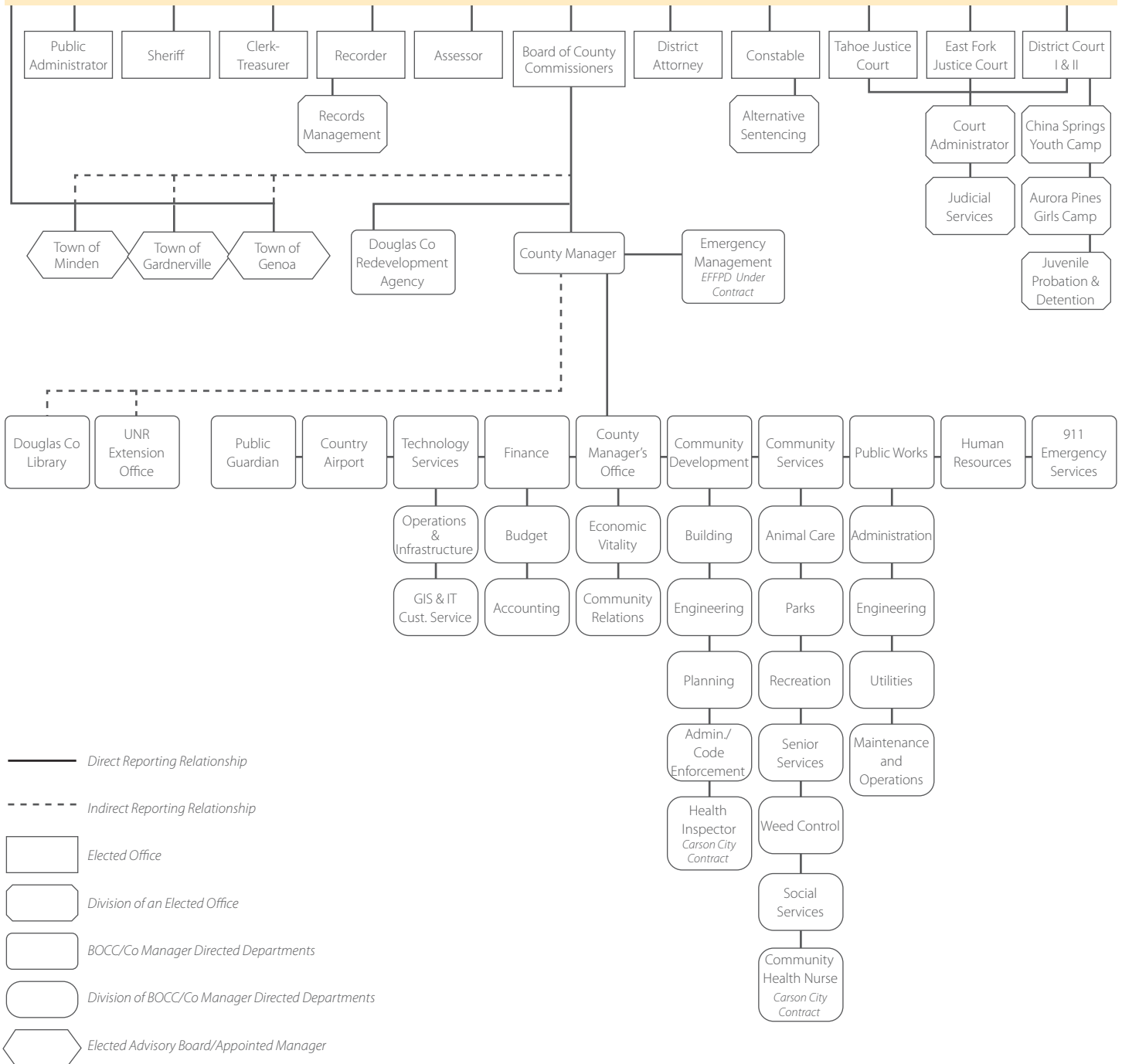
## COUNTY LEADERSHIP FY2019-FY2020

### Douglas County, NV Commissioner Districts

-  District 1 - Dave Nelson  
(Term expires 2020)
-  District 2 - John Engels  
(Term expires 2022)
-  District 3 - Larry Walsh  
(Term expires 2020)
-  District 4 - Wesley Rice  
(Term expires 2022)
-  District 6 - Barry Penzel  
(Term expires 2020)


# ORGANIZATIONAL CHART

## Douglas County Electorate



- Direct Reporting Relationship
- Indirect Reporting Relationship
- Elected Office
- Division of an Elected Office
- BOCC/Co Manager Directed Departments
- Division of BOCC/Co Manager Directed Departments
- Elected Advisory Board/Appointed Manager

# FINANCIAL HIGHLIGHTS



The County, like many others in the nation, was deeply affected by the COVID-19 pandemic, and implemented a financial response plan to mitigate the potential impacts. These included a **hiring freeze, review of all proposed expenditures and a hold on any new capital projects.**

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at fiscal year-end by **\$235,275,215** (net position). This net position is the excess of what we have over what we owe. The County's total net position increased by \$5,131,139 (2%) primarily due to increases in Property Tax (\$2,169,928) and Room Tax revenues (\$1,470,821).

The County's General Fund unassigned fund balance was \$9,774,468, or **22% of General Fund operating expenditures.** This balance represents coverage of 81 days of operating expenditures, meaning that if we stopped receiving revenue in the General Fund we could pay our normal level of expenses for 81 days.

The County's **governmental funds** reported combined ending fund balances of \$63,004,108, an increase of \$4,085,998 from the prior year. This change was primarily due to increases in Property Tax and Room Tax revenues. See Page 5 for the definition of governmental vs business type activities.

**The County's outstanding long-term debt obligations** (bonds and notes payable) at June 30, 2020 totaled \$35,723,067, which is a **decrease of \$874,929 from the prior year.** This decrease was due to routine debt payments and amortizations of bond premiums and discounts, offset by a \$3.1M increase in the 2016 Sewer State Revolving Fund loan.

**The County's capital assets increased \$4,371,002** from the prior year. This increase was primarily due to increases in ongoing business-type capital projects, including the Cave Rock Water System Improvement Project.

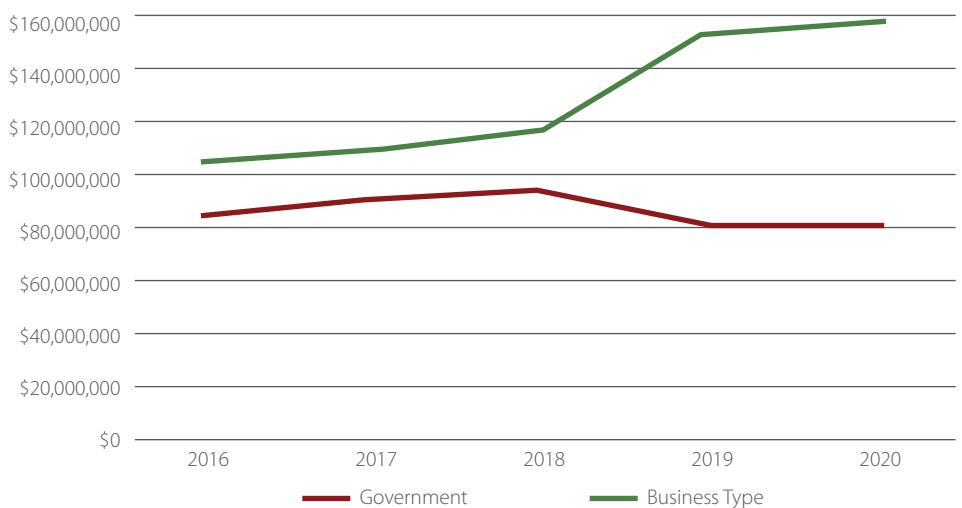
# STATEMENT OF NET POSITION

The Statement of Net Position presents information on all of the County's assets, liabilities and deferred inflows and outflows of resources. It is a snapshot of account balances as of June 30, 2020. The difference between assets and liabilities is "net position". Over time, the increases or decreases in the County's net position may serve as a useful indicator of whether the County's financial position is improving or deteriorating.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current, restricted and other	\$85,684,210	\$80,451,889	\$39,106,706	\$35,910,680	\$124,790,916	\$116,362,569
Capital	108,955,966	108,751,262	136,541,177	132,374,879	245,497,143	241,126,141
<b>Total assets</b>	<b>194,640,176</b>	<b>189,203,151</b>	<b>175,647,883</b>	<b>168,285,559</b>	<b>370,288,059</b>	<b>357,488,710</b>
Deferred outflows of resources	12,355,191	13,164,334	764,781	879,138	13,119,972	14,043,472
<b>Liabilities</b>						
Current	12,477,193	11,626,387	3,266,496	2,871,044	15,743,689	\$14,497,431
Long-term	104,793,189	101,386,635	19,205,933	17,861,952	123,999,122	119,248,587
<b>Total liabilities</b>	<b>117,270,382</b>	<b>113,013,022</b>	<b>22,472,429</b>	<b>20,732,996</b>	<b>139,742,811</b>	<b>133,746,018</b>
Deferred inflows of resources	7,933,540	7,232,645	456,465	409,443	8,390,005	7,642,088
<b>Net position</b>						
Net investment in capital assets	87,912,809	85,837,388	121,653,608	118,825,626	209,566,417	\$204,663,014
Restricted	44,018,430	39,719,494	827,101	803,845	44,845,531	40,523,339
Unrestricted	(50,139,794)	(43,435,064)	31,003,061	28,392,787	(19,136,733)	(15,042,277)
<b>Total net position</b>	<b>\$81,791,445</b>	<b>\$82,121,818</b>	<b>\$153,483,770</b>	<b>\$148,022,258</b>	<b>\$235,275,215</b>	<b>\$230,144,076</b>

- Governmental activities are activities principally supported by taxes and intergovernmental revenues. Functions included in this section include general government, judicial, public works, public safety, community development, culture and recreation, and welfare.
- Business-type activities are activities that are intended to recover all or most of their costs through users fees and charges. Activities included in this section include the County's water and sewer utilities and trash services.

## Net Position by Component Douglas County Last 5 Fiscal Years



# ASSETS & LIABILITIES

## Douglas County Assets & Liabilities

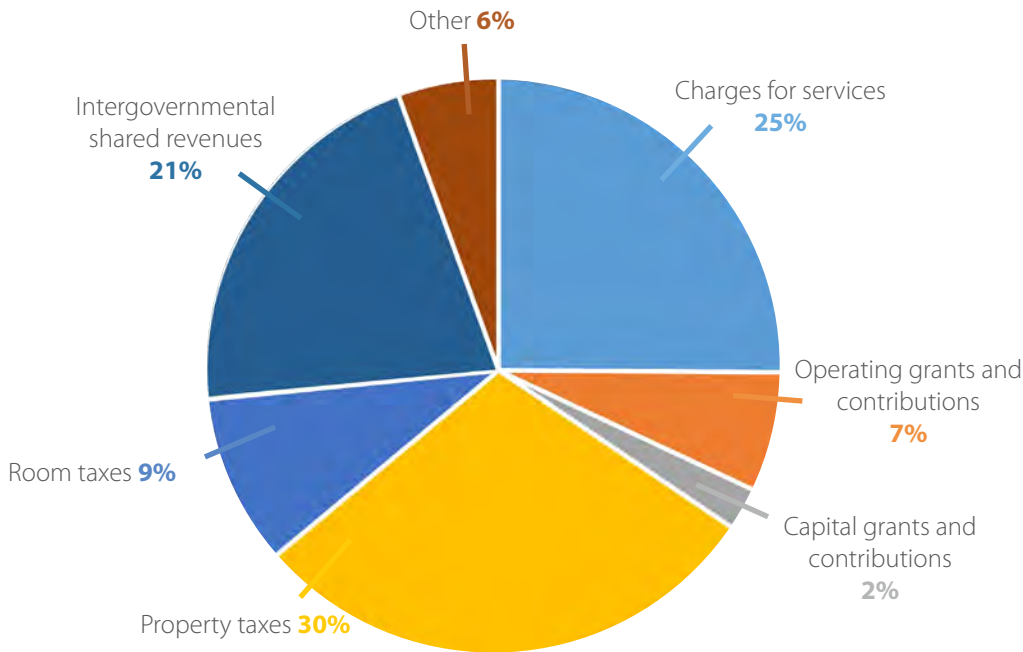
<b>Our Assets - What We Have</b>	<b>2020</b>	<b>2019</b>
Current Assets: mainly cash and amounts owed to the County	\$124,790,916	\$116,362,569
Net Capital Assets (Buildings, infrastructure, equipment)	245,497,143	241,126,141
<b>Total County Assets</b>	<b>370,288,059</b>	<b>357,488,710</b>
Deferred Outflow of Resources (Use of net assets in future period)	13,119,972	14,043,472
<b>Our Liabilities - What We Owe</b>	<b>2020</b>	<b>2019</b>
Current Liabilities: all of the amounts the County owes, except debt	\$15,743,689	14,497,431
Long-term liabilities: long-term debt owed, pension obligations	123,999,122	119,248,587
<b>Total County Liabilities</b>	<b>139,742,811</b>	<b>133,746,018</b>
Deferred Inflow of Resources (Gain of net assets in future period)	8,390,005	7,642,088
<b>Total Net Position of County</b>	<b>\$235,275,215</b>	<b>\$230,144,076</b>

## Douglas County Net Position Breakdown

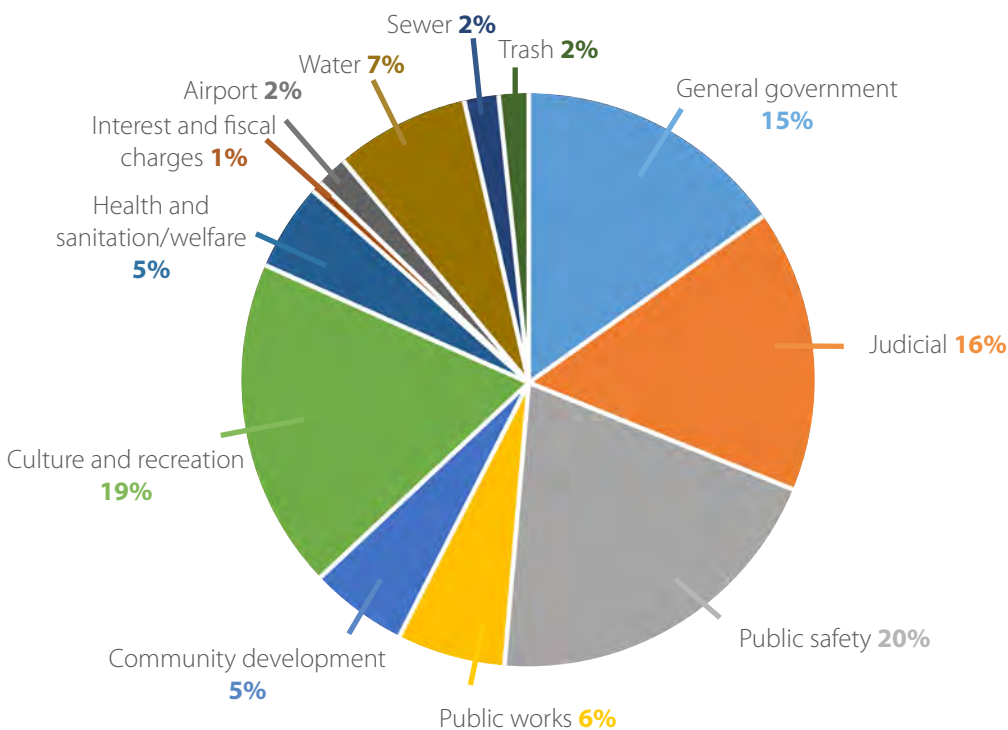


# STATEMENT OF ACTIVITIES

## Revenue (in thousands)



## Expenses by Function (in thousands)

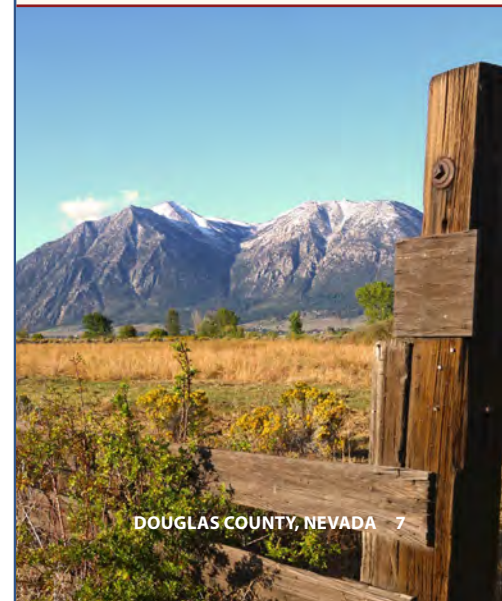


## Revenue

Property taxes, also known as Ad Valorem taxes, levied per \$1,000 of the assessed value (net of any exemptions) of real property within the County.

Intergovernmental shared revenues, or consolidated taxes are the combined local government tax for Supplemental City/County Relief Tax, Basic City/County Relief Tax, Cigarette Tax, Liquor Tax, Government Services and Real Property Transfer Tax. The Douglas County sales tax rate is 7.1%, with .25% of the 7.1% specifically designated to support parks, airport, library and senior services.

Charges for services are fees charged for specific services provided by the County, such as building permits and utility rates.



# GENERAL FUND

The General Fund is the primary operating fund of County government. This fund accounts for all financial resources and liabilities of the County except those required to be accounted for separately in other funds by special regulations, restrictions or limitations imposed by legal, policy or reporting requirements.

## Douglas County Fund Balances

**General Fund Last Five Years** *Fiscal Year ended June 30*

	2016	2017	2018	2019	2020
Nonspendable	\$430,324	\$790,743	\$707,836	\$655,651	\$937,376
Restricted	991,494	4,454,583	3,943,908	3,576,916	4,249,154
Committed	0	0	0	0	0
Assigned	365,055	365,700	0	0	825,793
Unassigned	9,504,350	6,646,114	4,533,001	7,936,652	9,774,468
<b>Total</b>	<b>\$11,291,233</b>	<b>\$12,257,140</b>	<b>\$9,184,745</b>	<b>\$12,169,219</b>	<b>\$15,786,791</b>

### The various fund balance categories are:

**Nonspendable:** fund balances include items that cannot be spent (i.e. inventories and prepaid items) and amounts that are legally or contractually required to remain intact.

**Restricted:** fund balances that have constraints placed upon the use of the resources either by external parties (such as creditors or grantors) or imposed by law.

**Committed:** fund balances that can only be used for specific purposes pursuant to constraints imposed by an ordinance of the County Commissioners.

**Assigned:** fund balances, which include amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed.

**Unassigned:** fund balance in the General Fund for residual amounts not included in the above categories.

A General Fund Balance and Budget Policy was adopted by the Board of County Commissioners which requires a balanced operating budget and establishes targets for minimum levels of unassigned fund balance.





# GENERAL FUND

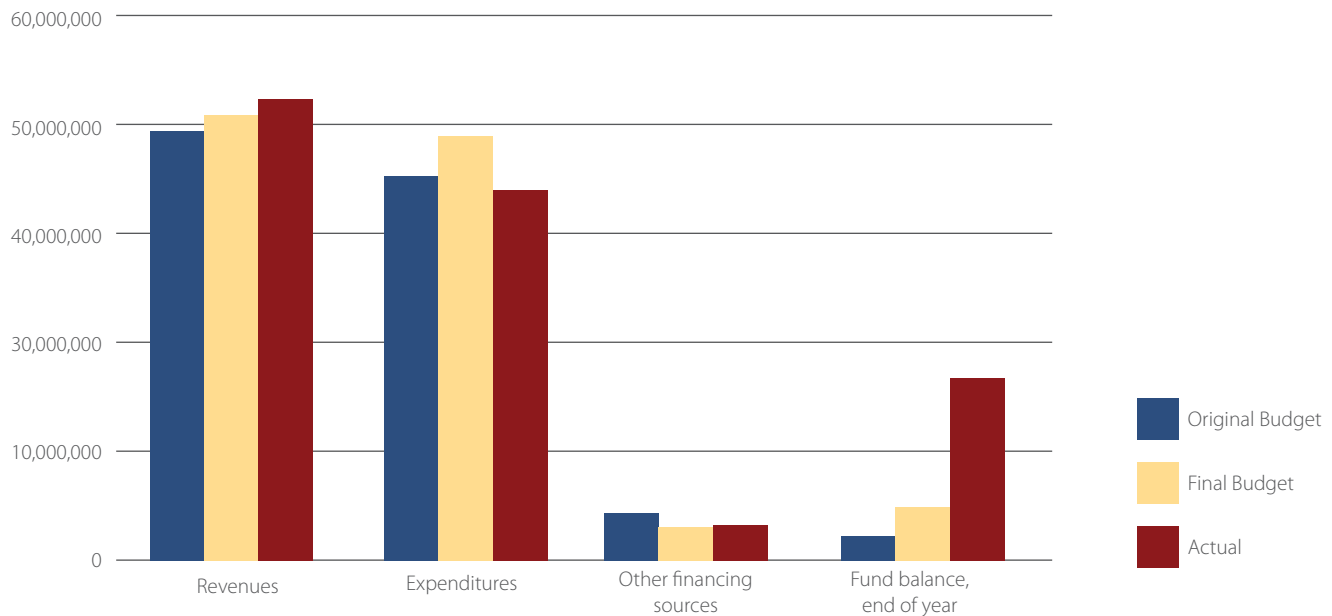
## General Fund

### Summary Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual For the Year Ended June 30, 2020

	Original budget	Final budget	Actual	Variance
Total revenues	\$49,383,659	\$51,104,388	\$51,841,371	\$736,983
Total expenditures	45,169,400	48,278,661	44,343,077	3,935,584
Excess (deficiency) of revenues over (under) expenditures	4,214,259	2,825,727	7,498,294	(3,198,601)
Total other financing sources (uses)	(4,722,984)	(3,900,122)	(3,880,722)	19,400
Change in fund balance	(508,725)	(1,074,395)	3,617,572	4,691,967
Fund balance, beginning of year	3,466,811	5,946,108	12,169,219	6,223,111
<b>Fund balance, end of year</b>	<b>\$2,958,086</b>	<b>\$4,871,713</b>	<b>\$15,786,791</b>	<b>\$10,915,078</b>

## General Fund Budget vs. Actual



At June 30, 2020, General Fund balance exceeded the final budget by \$10,915,078. General Fund revenues exceeded the final budget by \$736,983 primarily due to greater than anticipated charges for services and tax revenue. General Fund expenditures were less than the final budget by \$3,935,584 primarily due to personnel vacancies as well as projects that were budgeted but not completed within the fiscal year.

# DEBT INFORMATION

Douglas County has a debt limit of 10% of assessed property valuation. The assessed value of taxable property for the year ended June 30, 2020 was \$3,355,775,404. This results in a debt limit of \$335,577,540. The County's total net debt subject to this limitation is \$18,630,655 which leaves a remaining legal debt margin of \$316,946,885.

## Douglas County Legal Debt Margin Computation

**Last Five Fiscal Years** *Fiscal Year Ended June 30*

	2016	2017	2018	2019	2020
Debt limit	\$281,396,587	\$296,129,373	\$303,632,749	\$314,538,139	\$335,577,540
Total net debt subject to limitation	28,555,979	25,775,196	23,269,819	23,514,628	18,630,655
Legal debt margin	252,840,608	270,354,177	280,362,930	291,023,628	316,946,885
Total debt as a % of debt limit	10.15%	8.70%	7.66%	7.48%	5.55%



# OUTLOOK

## Local Economy and Outlook

Economic conditions in the County have been impacted by the business shutdowns related to the COVID-19 pandemic. One indicator of this is the increased unemployment rate from 4.2% to 9.1% for the year ended June 30, 2019 and 2020, respectively. The County remains diligent in making fiscally responsible decisions given the current economic state.

Residential building permits, a leading indicator of economic activity, have increased slightly from the prior year. In Fiscal Year 2019-20, 1,792 building permits were issued, an increase of 2.3% from the prior year.

The sales price of residential homes in Douglas County in 2020 was 8% higher than in 2019, with the County's median sales price increasing to \$481,483.

Total assessed property value within the County increased 6.7% from the prior year, for a total value of \$3,355,775,404.

## Long Term Financial Planning

The County continues to build on its strong record of long-range planning and financial stability. In June of 2017, the Board of County Commissioners approved the Fiscal Year 18-22 Strategic Plan, which focused on the areas of Organizational Stability, Safe Community, Infrastructure, Natural Resources and Culture, and Economic Vitality. Staff meet regularly to assess the progress being made on specific goals within each area. More information on the strategic plan can be found on the Board of County Commissioners page on the County's website.

### Douglas County Principal Employers 2020

Harrah's Lake Tahoe	1,000-1,499
Montbleu Resort Casino & Spa	1,000-1,499
Walmart Supercenter	500-999
Edgewood Tahoe	500-999
Carson Valley Inn	500-999
Harvey's Lake Tahoe	500-999
Montbleu Resort Casino	500-999
Hard Rock Hotel-Casino Lake Tahoe	500-999
Washesu Casino	500-999
Arb Inc	500-999

### Douglas County Principal Property Tax Payers

Caesars Entertainment
Edgewood Companies
Starbucks
Neva One LLC
Harich Tahoe Development



Population:  
**48,905**

Labor Force:  
**23,210**



Median Income:  
**\$62,503**

Median Age:  
**51.5**



Unemployment rate:  
**9.1%**

# DOUGLAS COUNTY

## A Community to Match the Scenery

Douglas County was incorporated in 1861 and is a political subdivision of the State of Nevada. Douglas County is named for Stephen A. Douglas, a former United States Senator from Illinois, who opposed Lincoln in the 1860 election for President. The County is governed by a five-member Board of County Commissioners (BOCC) elected at large by district. The County covers an area of 751 miles and has elevations ranging from a low of 4,425 feet on the valley floor to a high of 9,500 feet at East Peak. Douglas County is the sixth most populated County in Nevada with approximately 48,900 residents, with seasonal populations that can exceed 65,000 due to visitors to Lake Tahoe and the County's proximity to Reno, Carson City and northern California.



[www.douglascountynv.gov](http://www.douglascountynv.gov)