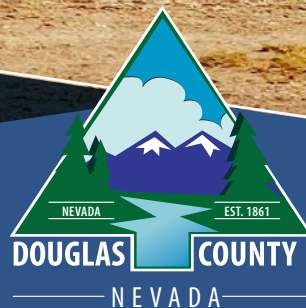


POPULAR ANNUAL FINANCIAL REPORT

DOUGLAS COUNTY, NEVADA
FISCAL YEAR ENDED JUNE 30, 2022



GREAT PEOPLE, GREAT PLACES

WELCOME

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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, 2022.

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 Annual Comprehensive Financial Report (ACFR). 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 ACFR, which is available online at:

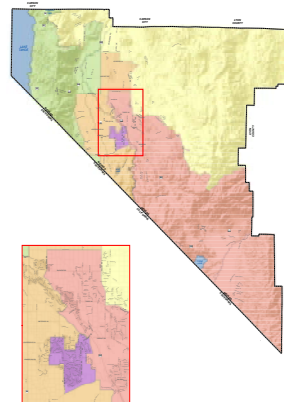
<https://www.douglascountynv.gov/cms/One.aspx?portalId=12493103&pageId=13610464>

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 FY2021-FY2022

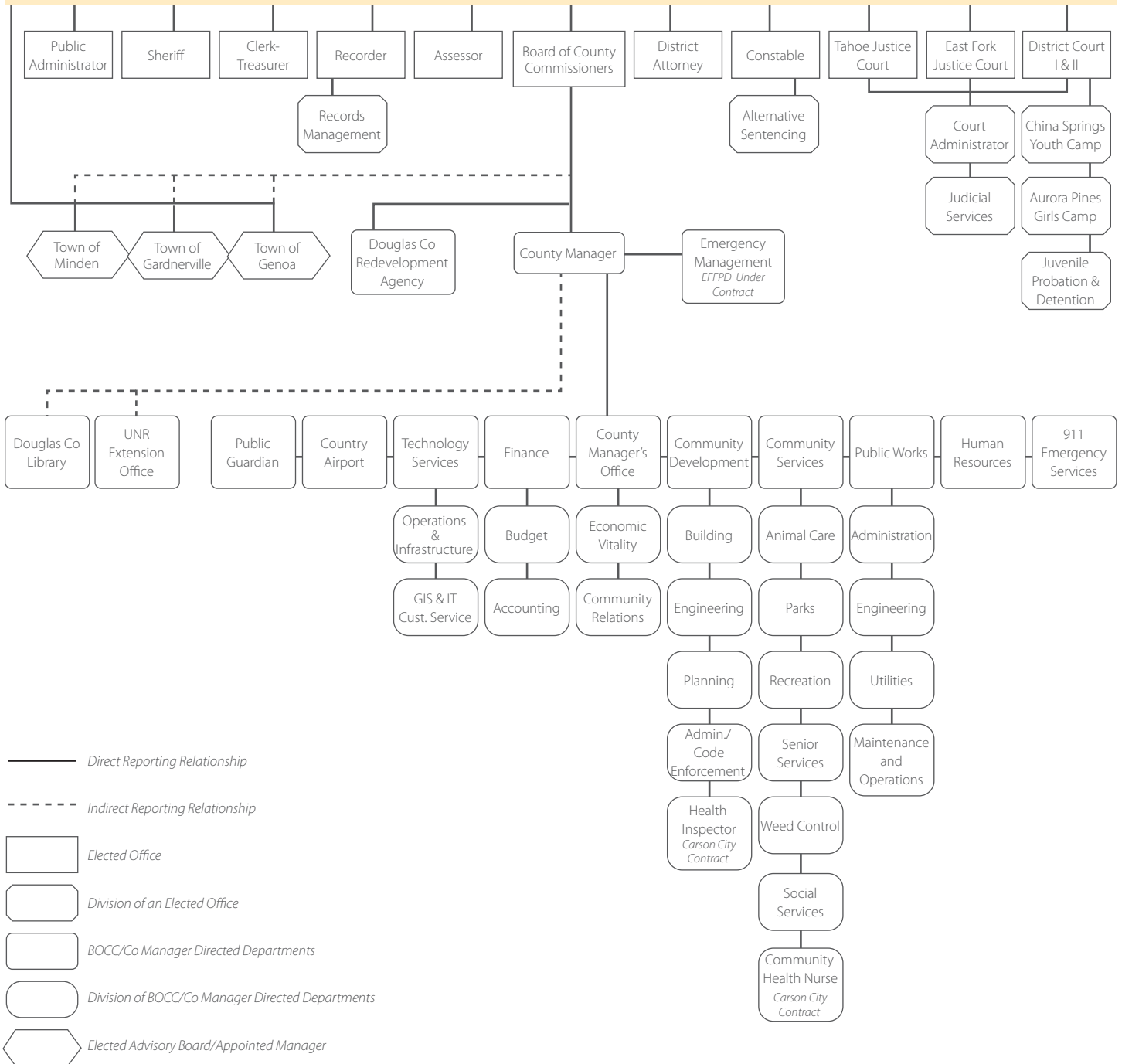


Douglas County, NV Commissioner Districts

-  District 1 - Danny Tarkanian
(Term expires 2024)
-  District 2 - John Engels
(Term expires 2022)
-  District 3 - Mark Gardner
(Term expires 2024)
-  District 4 - Wesley Rice
(Term expires 2022)
-  District 5 - Walt Nowosad
(Term expires 2024)

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, began its recovery from the COVID-19 pandemic during Fiscal Year 2021-22, and had returned to normal operations by the end of the fiscal year. However, Fiscal Year 2021-22 brought other challenges including historic levels of inflation as well as supply chain issues which affected operations.

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at fiscal year-end by **\$281,987,059** (net position). This net position is the excess of what we have over what we owe. The County's total net position increased by **\$17,528,930** (7%). This was primarily due to continued growth in property and sales tax revenues, combined with the elimination of one-time expenditures incurred during the prior year related to the pandemic, funded by one-time monies. These increases were offset by a one-time investment loss of \$3.2 million that was realized during the year. The County's governmental funds reported combined ending fund balances of **\$84,852,380**, an increase of **\$7,843,217** from the prior year primarily due to growth in tax revenues as well as license and permit revenues.

Governmental activities increased the County's net position by **\$13,236,445**, primarily from increased property tax revenues, combined with decreased expenditures due to prior year one-time projects and expenditures which did not occur in the current year. See page 5 for the definition of governmental vs. business-type activities.

The County's General Fund unassigned fund balance was **\$21,097,545**, or 46% of General Fund operating expenditures. This balance represents coverage of 168 days of operating expenditures, meaning that if we stopped receiving revenue in the General Fund we could pay our normal level of expenses for 168 days.

The County's outstanding long-term debt obligations (bonds and notes payable) at June 30, 2022 totaled **\$38,189,811**, which is an increase of **\$4,979,357** from the prior year. This increase is due to increases in the State Revolving Fund Water bonds due to capital activity associated with the Cave Rock Water System project (\$7.7 million) offset by routine debt service payments and amortizations.

The County's capital assets increased **\$8,750,874** from the prior year, with governmental-type assets increasing **\$1,196,023** and business-type increasing **\$7,554,851**. The major project for Fiscal Year 2021-22 was the Cave Rock Water System (business-type).

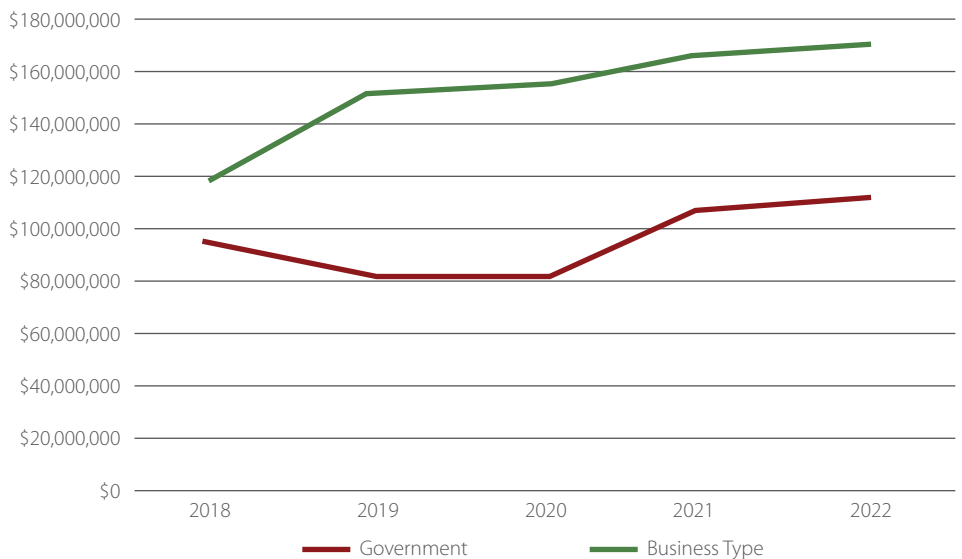
STATEMENT OF NET POSITION

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, 2022. 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	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other	\$124,436,652	\$109,874,941	\$51,698,839	\$42,635,007	\$176,135,491	152,509,948
Capital	113,637,340	112,441,317	149,260,339	141,705,488	262,897,679	254,146,805
Total assets	238,073,992	222,316,258	200,959,178	184,340,495	439,033,170	406,656,753
Deferred outflows of resources	28,330,822	13,746,704	1,577,044	705,053	29,907,866	14,451,757
Liabilities						
Current	29,958,609	21,670,949	5,443,847	3,885,711	35,402,456	25,556,660
Long-term	84,430,918	107,282,975	23,258,612	18,147,729	107,689,530	125,430,704
Total liabilities	114,389,527	128,953,924	28,702,459	22,033,440	143,091,986	150,987,364
Deferred inflows of resources	36,687,323	5,017,519	7,174,668	645,498	43,861,991	5,663,017
Net position						
Net investment in capital assets	95,506,143	92,975,793	129,222,618	128,015,530	224,728,761	220,991,323
Restricted	53,372,425	52,971,149	418,258	511,729	53,790,683	53,482,878
Unrestricted	(33,550,604)	(43,855,423)	37,018,219	33,839,351	3,467,615	(10,016,072)
Total net position	\$115,327,964	\$102,091,519	\$166,659,095	\$162,366,610	\$281,987,059	\$264,458,129

Net Position by Component

Douglas County Last 5 Fiscal Years



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.

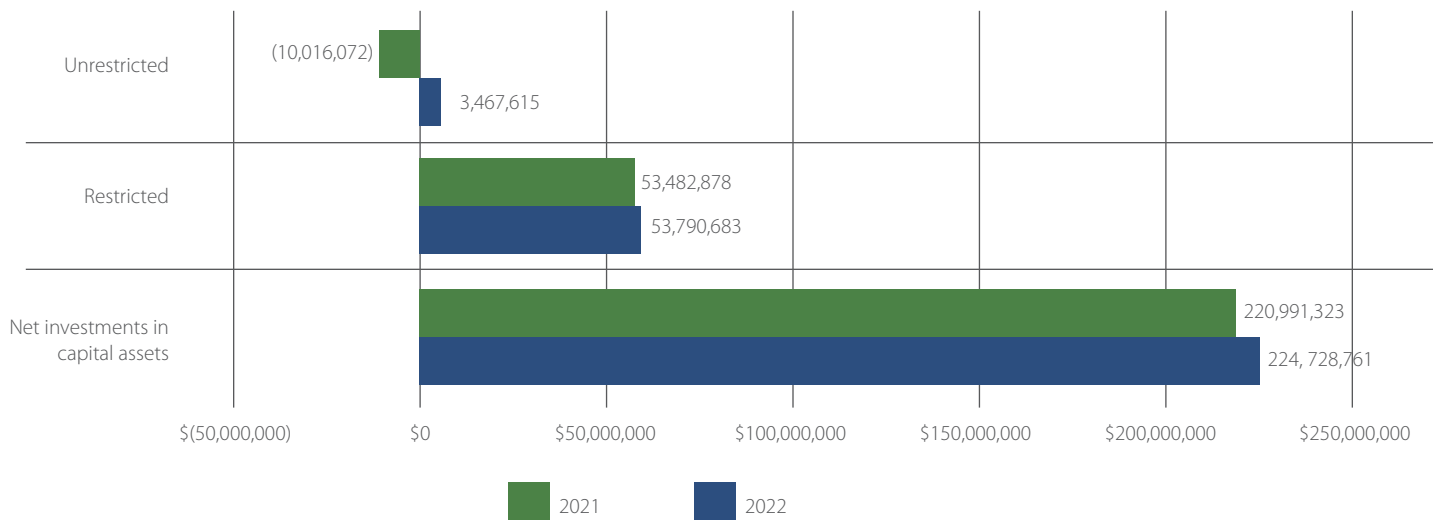
Business-type activities are activities that are intended to recover all or most of their costs through users fees and charges. Activities included in this section include the County's water and sewer utilities and trash services.

ASSETS & LIABILITIES

Douglas County Assets & Liabilities

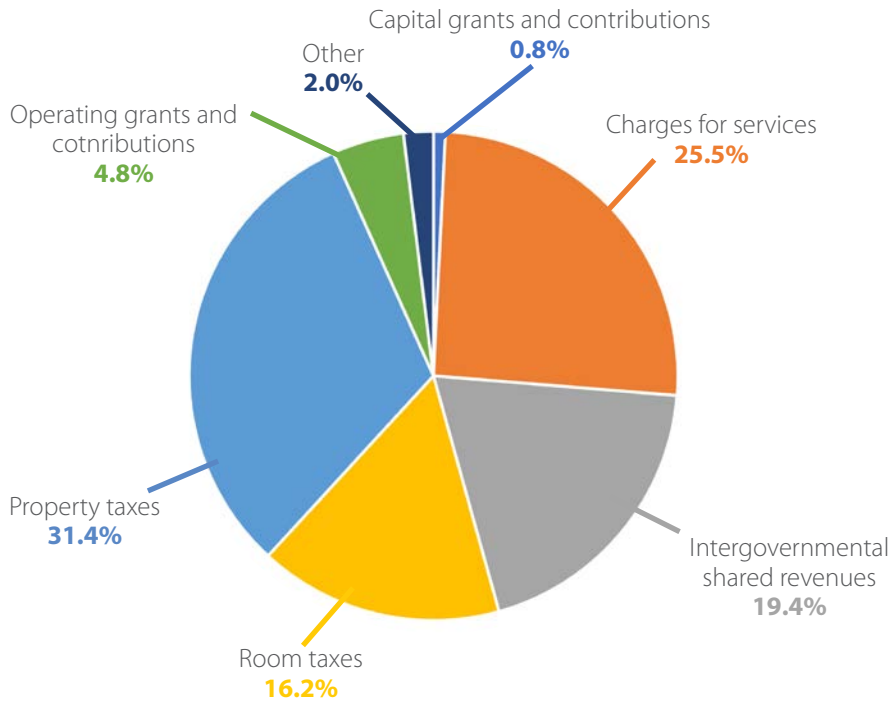
Our Assets - What We Have	2022	2021
Current Assets: mainly cash and amounts owed to the County	\$176,135,491	\$152,509,948
Net Capital Assets (Buildings, infrastructure, equipment)	262,897,679	254,146,805
Total County Assets	439,033,170	406,656,753
Deferred Outflow of Resources (Use of net assets in future period)	29,907,866	14,451,757
Our Liabilities - What We Owe		
Current Liabilities: all of the amounts the County owes, except debt	35,402,456	25,556,660
Long-term liabilities: long-term debt owed, pension obligations	107,689,530	125,430,704
Total County Liabilities	143,091,986	150,987,364
Deferred Inflow of Resources (Gain of net assets in future period)	43,861,991	5,663,017
Total Net Position of County	\$281,987,059	\$264,458,129

Douglas County Net Position Breakdown

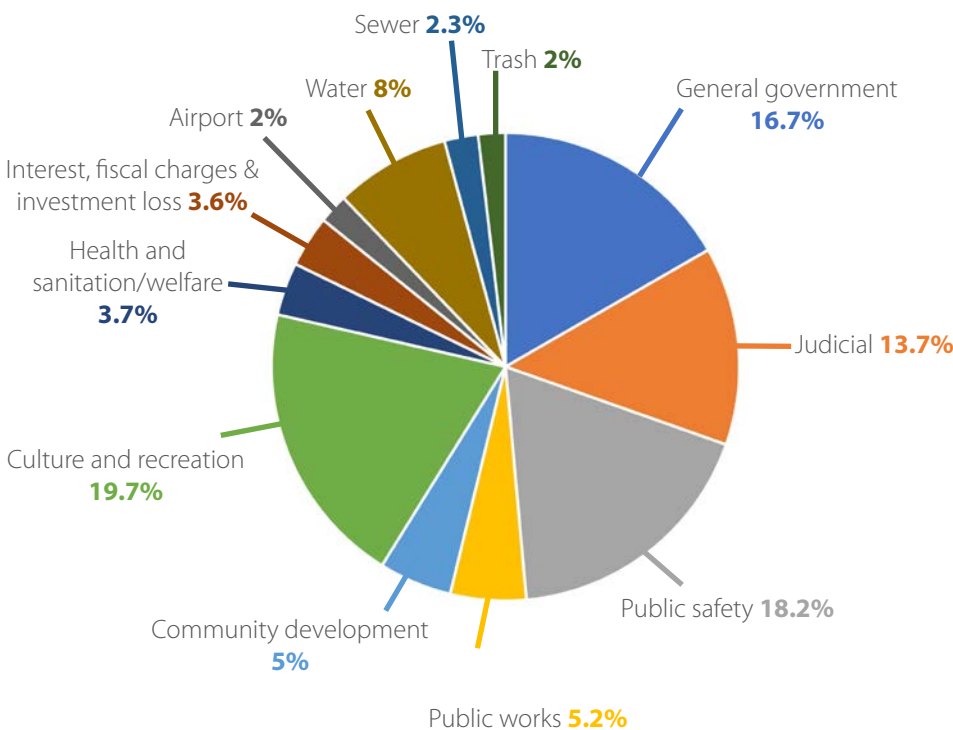


STATEMENT OF ACTIVITIES

Revenue



Expenses by Function

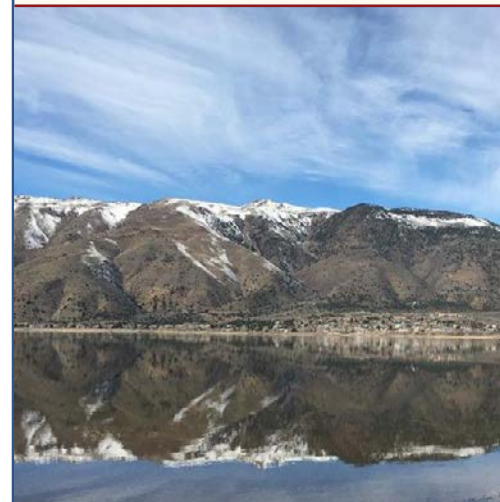


Revenue

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*

	2018	2019	2020	2021	2022
Nonspendable	\$707,836	\$655,651	\$937,376	\$553,403	\$398,232
Restricted	3,943,908	3,576,916	4,249,154	7,841,260	2,695,415
Committed	0	0	0	0	
Assigned	0	0	825,793	629,108	866,369
Unassigned	4,533,001	7,936,652	9,774,468	15,667,526	21,097,545
Total	\$9,184,745	\$12,169,219	\$15,786,791	\$24,691,297	\$25,057,561

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

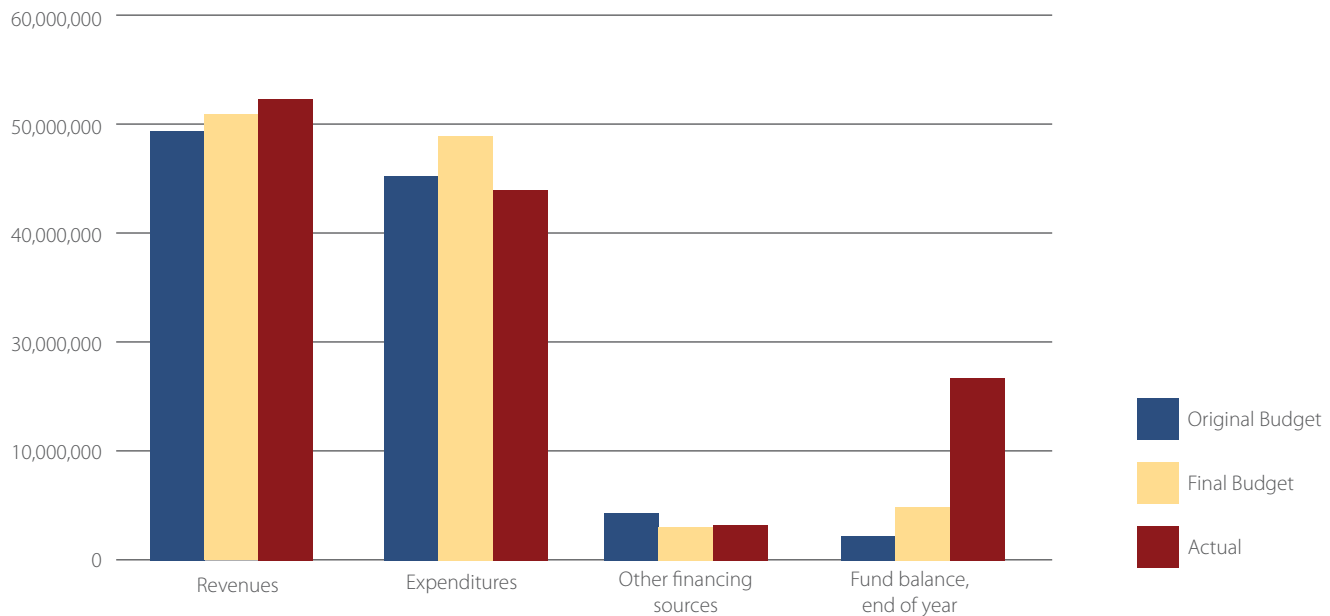
General Fund

Summary Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual For the Year Ended June 30, 2022

	Original Budget	Final budget	Actual	Variance
Total revenues	\$53,348,363	\$ 53,600,706	\$53,878,421	\$277,715
Total expenditures	\$48,968,744	54,966,842	46,444,133	8,522,709
Excess (deficiency) of revenues over (under) expenditures	4,379,619	(1,366,136)	7,434,288	8,800,424
Total other financing sources (uses)	(7,112,411)	(7,057,051)	(7,068,024)	(10,973)
Change in fund balance	(2,732,792)	(8,423,187)	366,264	8,789,451
Fund balance, beginning of year	12,174,468	24,603,083	24,691,297	88,214
Fund balance, end of year	\$ 9,441,676	16,179,896	25,057,561	8,877,665

General Fund Budget vs. Actual



At June 30, 2022, General Fund balance exceeded the final budget by \$8,877,665. General Fund revenues exceeded the final budget by \$277,715 primarily due to greater than anticipated building activity which affected permit and charges for services revenue. This increase was offset by miscellaneous revenues which were \$1.1 million less than anticipated, primarily due to an unexpected investment loss. General Fund expenditures were less than the final budget by \$8,522,709. General Fund actual expenditures were less than the final budget due to employee vacancies and items that are budgeted on a multi-year basis (restricted and ongoing projects) and not fully 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, 2022 was \$3,713,859,830. This results in a debt limit of \$371,385,983. The County's total net debt subject to this limitation is \$36,579,035 which leaves a remaining legal debt margin of \$334,806,948.

Douglas County Legal Debt Margin Computation

Last Five Fiscal Years *Fiscal Year Ended June 30*

	2018	2019	2020	2021	2022
Debt limit	\$303,632,749	\$314,538,139	\$ 335,577,540	\$364,313,216	\$371,385,983
Total net debt subject to limitation	23,269,819	20,696,482	34,333,722	31,441,345	36,579,035
Legal debt margin	280,362,930	293,841,657	301,243,818	332,871,871	334,806,948
Total debt as a % of debt limit	7.66%	6.58%	10.23%	8.63%	9.85%



Population:
49,870

Labor Force:
21,509



Local Economy and Outlook

Douglas County's Board of County Commissioners approved a plan of expenditures for its American Rescue Plan Act funds (\$9.5 million) in June 2022. The comprehensive plan included community outreach, and followed Government Finance Officers Association guidelines best practices for the use of one-time funds.

The County's unemployment rate was 4.7% as of June 30, 2022, a .4% decrease from the same period in 2021. As the County continues to recover from the effects of the COVID-19 pandemic, it is expected that the unemployment rate will continue to decrease. This compares to national and state unemployment rates of 5.1% and 3.6% respectively.

The County's assessed value increased 3.6% in Fiscal Year 2021-22 to \$3.7 billion and is increasing 9% in Fiscal Year 2022-23 to \$4.0 billion.

Consolidated tax revenues were projected to increase 13.6% for Fiscal Year 2022-23. This is greater than the growth seen in the prior years. During Fiscal Year 2021-22, based on actual collections of Supplemental City-County Relief Tax, a component of the Consolidated Tax revenues, the State of Nevada Department of Taxation advised that County that it could either remain a "guaranteed" county by requesting a waiver, or forgo its guaranteed status as described in NRS 377.057. At its March 3, 2022 meeting, the Board of County Commissioners voted to forgo the waiver process, and instead rely on its own collections, which have been increasing. As of August 2022, with two months of the fiscal year taxable sales recorded, taxable sales are 18.1% higher than at the same time in the previous year.

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 2021

Harrah's Lake Tahoe	1,000-1,499
Bally's Lake Tahoe	1,000-1,499
Walmart Supercenter	500-999
Edgewood Tahoe	500-999
Carson Valley Inn Casino	500-999
Harvey's Lake Tahoe	500-999
Hard Rock Hotel-Casino Lake Tahoe	500-999
Washesu Casino	500-999
Topaz Lodge & Casino	500-999
Zephyr Cove Resort & Marina	250-499

Douglas County Principal Property Tax Payers

Vici Properties
Edgewood Companies
Starbucks
Harich Tahoe Development
Neva One Propco LLC

Median Age:

53

Median Income:

75,688

Unemployment rate:

4.7%

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 49,800 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