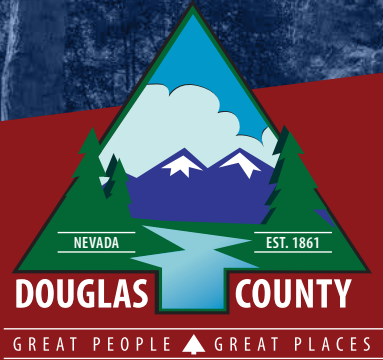


THIRD QUARTER FY2020-21



Terri Willoughby
Chief Financial Officer

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Hours of Operation:
Monday-Friday 8 a.m.—5p.m.

The Finance Department's mission is to provide transparent financial services with integrity and accountability for our community.

This summary is based on detailed information produced by the County's financial management system. If you would like additional information, or have any questions about the report, please call Terri Willoughby, Chief Financial Officer.

Overview

With ¾ of the year completed, we have an excellent opportunity to put together an accurate projection for Fiscal Year 2020-21 and work with Departments to make any necessary adjustments. This report summarizes the County's overall financial position through March 31, 2021. Except as noted, revenues and expenditure, trends are on target based on past trends for the third quarter. Except for a few minor revenue sources, the County has not experienced the anticipated declines in revenue from the COVID-19 pandemic.

Adjusted Budgets and Revenue Estimates

Any budget augmentations approved by the Board of County Commissioners through March 31, 2021 have been included in the financial information presented. A final round of budget augmentations will be presented to the Board of County Commissioners for their review and possible approval in June 2021.

General Fund

With 75% of the fiscal year completed, General Fund revenues are at 83% of estimates, and expenditures are at 66% of projections. The major variance in revenues is due to greater than anticipated development revenues and State Consolidated Taxes, with the expenditure variance primarily due to salary savings across General Fund departments. Revenues are \$1.9 million greater than the prior year at the same time, while expenditures are roughly the same. The net of transfers (in and out) is \$1.3 million less than the prior year.

General Fund	Budget	As of 3/31/21	% Completed
Revenues	\$50,923,242	\$42,311,293	83%
Expenditures	49,759,521	33,006,131	66%
Transfers (Net)	(2,788,383)	(1,854,466)	67%
Net Surplus (Deficit)	(1,624,662)	7,450,696	
Unassigned Fund Balance, Start of Year	9,774,468	9,774,468	
Unassigned Fund Balance, Year to Date	\$8,149,806	\$17,225,164	

	3/31/20	3/31/21	Variance	% Variance
Revenues	\$40,395,363	\$42,311,293	\$1,915,930	5%
Expenditures	32,746,786	33,006,131	\$259,345	0.8%
Transfers (Net)	(2,737,347)	(1,854,466)	\$882,881	68%

Total Full-Time Employees	460
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GENERAL FUND

There can only be one General Fund.

The Douglas County General Fund accounts for all financial resources required to fund a variety of public services not accounted for in other funds, including but not limited to the following:

- Public Safety
- General Government
- Judicial
- Public Works
- Recreation

Top Six Revenues

Douglas County's top six revenues account for over 90% of total General Fund revenues. By focusing on these, we can get an excellent understanding of the County's revenue position.

Overall, these key revenues are performing as projected based on revised estimates, payment schedules and past trends for the second quarter. Any significant variances are noted below.

General Fund Revenues	Budget	YTD Actual @ 3/31/21	% Received
Property Tax	\$24,438,543	\$23,699,860	97%
Consolidated Tax	12,031,495	8,237,120	68%
Franchise Fees/Utility Operator Fees	2,430,777	950,739	39%
Building/Engineering/Planning	1,492,731	2,195,800	147%
Gaming licenses/permits	900,010	564,744	63%
Fines & forfeitures	1,268,417	556,503	44%
VHR Permits & Fines	137,700	118,572	86%
Other	8,223,569	5,987,957	73%
Total	50,923,242	42,311,293	83%

Consolidated taxes

As of March 31, 2021, 68% of the projected revenues had been received, which is ahead of the percentage received in the prior year. At the time of budget adoption for the current year, revenue projections were reduced in anticipation of possible economic impacts associated with the COVID-19 pandemic.

Franchise Fees/Utility Operator Fees: These revenues are derived from agreements with utilities and cable/internet providers.

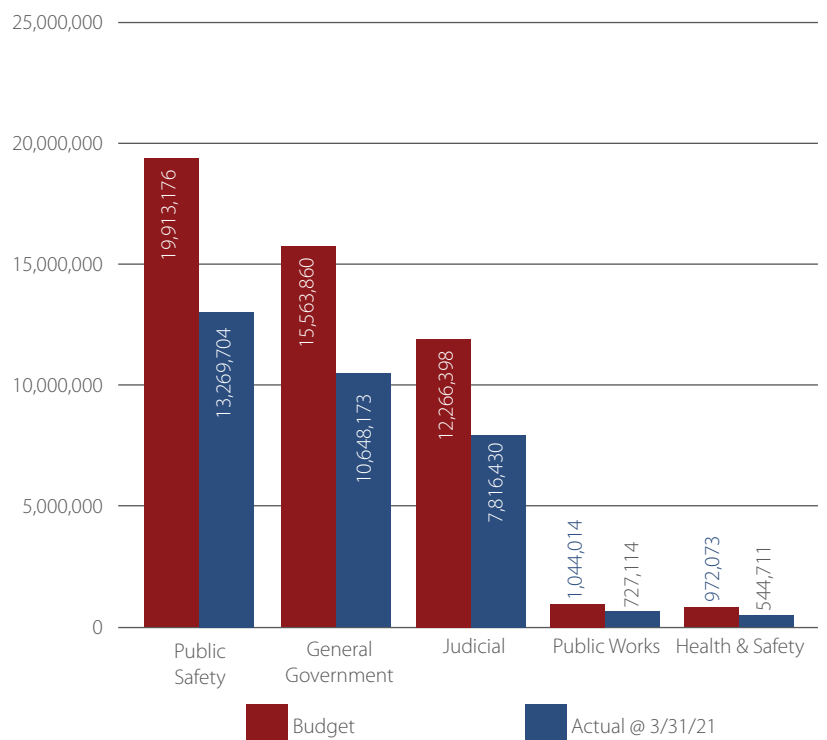
Building/Engineering/Planning revenues:

These are fees and permits related to development activity and are performing better than projected. At the time of budget adoption for the current year, revenue projections were reduced in anticipation of possible economic impacts associated with the COVID-19 pandemic.

Gaming licenses/permits: These are licenses and permits based primarily on the number of gaming machines in County establishments, and not related to actual gaming activities.

General Fund Expenditures

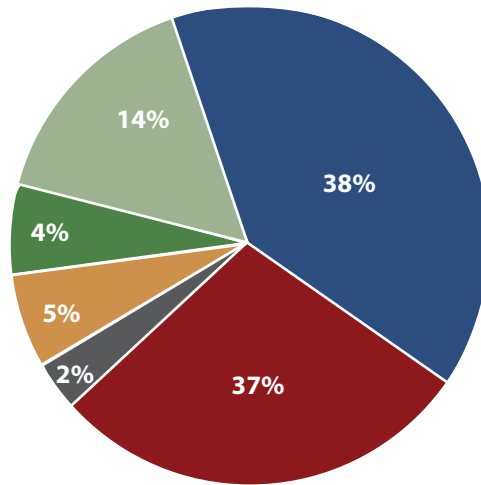
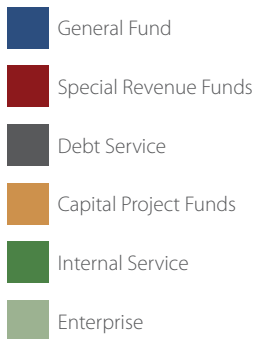
Budget to Actual through 3/31/21



FUND TYPES

Expenditures by Fund Type

YTD @ 3/31/21



Major Fund Activity — Through December 31, 2019

Special Revenue Funds

At this time, special revenue fund revenues and expenditures appear to be consistent with past trends and expectations.

Room Tax Fund

Room Tax fund projects funded in Fiscal Year 2020-21 include improvements for paver installation and the Johnson Park improvements.

Room Tax	Budget	As of 3/31/21	% Completed
Room Tax-Revenues Commercial	6,466,282	8,128,547	126%
Room Tax-Revenues VHR	1,173,662	2,841,478	242%
Tourism Surcharge	1,338,563	1,705,049	127%
Program Revenues	1,670,414	847,982	51%
Other Revenues	370,077	346,384	94%
Total Revenue	11,018,998	13,869,440	126%

Room Tax Expenditures	Budget	As of 3/31/21	% Completed
Room Tax Distributions	6,607,600	9,413,016	142%
Other Expenditures	6,163,836	3,595,949	58%
Total Expenditures	12,771,436	13,008,965	102%
Transfers (Net)	(86,621)	(25,972)	30%
Net Surplus (Deficit)	(1,839,059)	834,503	
Balance, Start of Year	3,738,596	3,738,596	
Balance, Year to Date	\$3,651,975	\$3,712,624	

Finance Terms

Fund

A fund is a fiscal and accounting entity that has a self-balancing set of accounts, recording all assets and liabilities separately.

Special Revenue Funds

Account for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

Capital Project Funds

Account for financial resources that are restricted, committed or assigned to the improvement, acquisition or constructions of capital assets.

Debt Service Funds

Account for the accumulation of resources for and the payment of principal and interest on any governmental fund long-term debt or medium-term obligation.

Proprietary Fund

A business-like fund of the local government (Enterprise or Internal Service) that is designed to recoup its expenses through charges to its customers.

Fiduciary Fund

A fiduciary fund is used to report assets that are held for others and cannot be used to support the programs of the local government.



AUDIT & UPDATES

The Douglas County Audit Committee plays a key role with respect to the integrity of the County's financial information, including the systems of internal controls, and the legal and ethical conduct of management employees.

Douglas County Audit Committee

The role of the Douglas County Audit Committee is to maintain over-sight of the auditing function, for both internal and external audits, resulting in increased integrity and efficiency of the audit processes for the County and the County's system of internal controls and financial reporting. The committee has four primary characteristics for it to successfully fulfill its obligations: independence, communication, accountability, and oversight

Audit Committee Activities

The Douglas County Audit Committee met on March 2, 2021, and reviewed and accepted the Douglas County Inventory Internal Controls Testing report as presented by the County's internal auditors, Moss Adams LLP, and the County's Single Audit and Corrective Action Plan presented by the County's financial auditor, Eide Bailly. The next Audit Committee meeting is scheduled to be held in June 2021 and will include a discussion and presentation by the County's external auditor on the audit plan for the Fiscal Year 2020-21 audit, the presentation of new policies and the selection of the internal audit plan for Fiscal Year 2021-22.

Audit Committee Members

Douglas County Commissioner
Walt Nowosad
Chair David Maxwell
Teresa Rankin
Timothy McCoy
Mark Hart

Finance Department Updates

The County's Fiscal Year 2021-22 Operating and Capital Budget is scheduled for final adoption on May 20, 2021. The tentative budget was presented over multiple meetings in April, and the tentative budget was approved and submitted to the State of Nevada, Department of Taxation in accordance with their prescribed deadlines. Supplemental requests and the County's Capital Improvement Program were approved by the Board of County Commissioners on April 27, 2021 and will be included in the final budget for Fiscal Year 2021-22.

The Finance Department is gearing up for closing out Fiscal Year 2020-21 and planning for the annual financial audit. The County's external auditors will be performing interim audit activities in June 2021, including internal control testing. The Finance Department, working with the audit firm of Eide Bailly, was pleased to present the County's Comprehensive Annual Financial Report for Fiscal Year 2019-20 within the State deadlines for the first time, and expects to issue the next report within the same timeline.

Reporting Fraud, Waste or Abuse

Douglas County provides a third-party reporting hotline to anonymously report any incidents of fraud, waste or abuse.

**Call 833-430-0004 or email
reports@ligthouse-services.com**