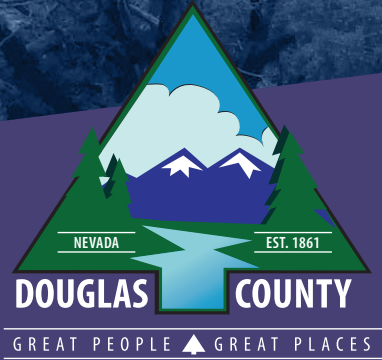


FIRST QUARTER FY2021-22



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 the first three months of the year completed, we have the opportunity to look at trends based on historic performance at the same time frame in prior years. This report summarizes the County's overall financial position through September 30, 2021. Except as noted, revenue and expenditures are on target for the first quarter. Except for a few minor revenue sources, the County finished Fiscal Year 2020-21 with little to no adverse effects from the COVID-19 pandemic.

Adjusted Budgets and Revenue Estimates

Any budget augmentations approved by the Board of County Commissioners through September 30, 2021, have been included in the financial information presented.

General Fund

With 25% of the fiscal year completed, General Fund actual revenues are 29% of estimates, and expenditures are at 22% of projections. The primary 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 and projects that have been budgeted but not completed. Staff will be closely monitoring State Consolidated Tax revenue, as it is an excellent economic indicator. Revenues are \$740,000 less than the prior year at the same time, while expenditures are roughly the same.

General Fund	Budget	As of 9/30/21	% Completed
Revenues	\$51,085,741	\$14,680,819	29%
Expenditures	49,475,203	10,639,399	22%
Transfers (Net)	(6,426,280)	(4,273,498)	67%
Net Surplus (Deficit)	(4,815,742)	(232,078)	
Unassigned Fund Balance, Start of Year	12,174,468	12,174,468	
Unassigned Fund Balance, Year to Date	\$7,358,726	\$11,942,390	

	9/30/20	9/30/21	Variance	% Variance
Revenues	\$15,422,289	\$14,680,819	\$(741,470)	-5%
Expenditures	10,592,532	10,639,399	\$46,867	0.4%
Transfers (Net)	(1,225,477)	(4,273,498)	\$(3,048,022)	349%

Total Full-Time Employees	446
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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 @ 9/30/21	% Received
Property Tax	\$25,659,000	\$11,306,613	44%
Consolidated Tax	13,980,442	1,107,552	8%
Franchise Fees/Utility Operator Fees	2,386,959	613	0%
Building/Engineering/Planning	2,807,764	806,087	29%
Gaming licenses/permits	441,747	184,703	42%
Fines & forfeitures	643,964	157,959	25%
VHR Permits & Fines	150,000	111,512	74%
Other	5,015,865	1,005,780	20%
Total	51,085,741	14,680,819	29%

Consolidated taxes

As of September 30, 2021, 8% of the projected revenues were received, which is slightly more than received at the same time last year. Staff will be continuing to monitor receipts for a potential mid-year adjustment.

Franchise Fees/Utility Operator Fees: These fees result from utility and cable/internet provider agreements. Only a small portion of the revenues are received in the first quarter of the fiscal year because they are paid on a quarterly basis based on the prior quarter activity.

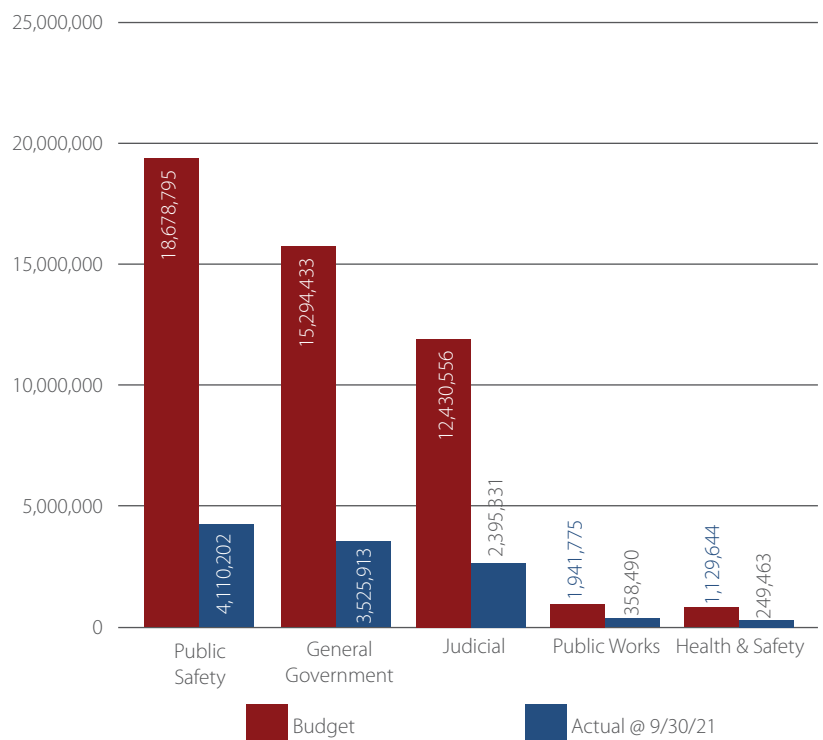
Building/Engineering/Planning revenues:

Fees and permits related to development activity are on track with projections and with prior year activity.

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. Revenues are being received at a slightly higher level than at the same time frame last fiscal year.

General Fund Expenditures

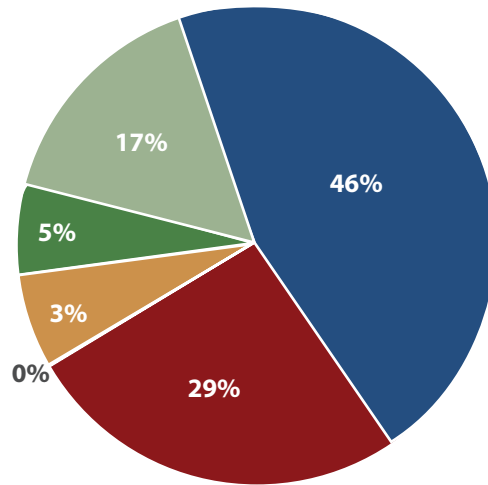
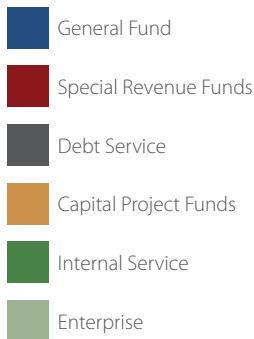
Budget to Actual through 9/30/21



FUND TYPES

Expenditures by Fund Type

YTD @ 9/30/21



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 2021-22 include improvements to the shooting range and fairgrounds.

Room Tax	Budget	As of 9/30/21	% Completed
Room Tax-Revenues Commercial	10,979,514	3,948,856	36%
Room Tax-Revenues VHR	3,419,887	1,187,592	35%
Tourism Surcharge	2,218,599	540,331	24%
Program Revenues	1,553,450	351,660	23%
Other Revenues	554,093	(397,321)	-72%
Total Revenue	18,725,543	5,631,118	30%

Room Tax Expenditures	Budget	As of 9/30/21	% Completed
Room Tax Distributions	12,323,275	3,824,566	31%
Other Expenditures	7,309,809	1,212,379	17%
Total Expenditures	19,633,084	5,036,946	26%
Transfers (Net)	306,888	212,571	69%
Net Surplus (Deficit)	(600,653)	806,743	
Balance, Start of Year	2,941,619	2,941,619	
Balance, Year to Date	\$3,248,507	\$3,154,190	

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 Audit Committee met on September 28, 2021, and heard presentations on the Fiscal Year 2020/21 Departmental Inventory review, the Coronavirus Aid, Relief, and Economic Security (CARES) Act compliance report, and a presentation on the County's Community Grant program.

There is a joint Audit Committee and Board of County Commissioner meeting scheduled for November 29, 2021, for a presentation by Eide Bailly, the County's external auditors, on the results of the Fiscal Year 2020-21 audit and the County's Annual Comprehensive Financial Report for the same period.

Finance Department Updates

The Finance Department will begin work on the Fiscal Year 2022-23 budget in late December and early January 2022.

Audit Committee Members

Douglas County Commissioner
Walt Nowosad

Chair David Maxwell

Teresa Rankin

Timothy McCoy

Mark Hart

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@lighthouse-services.com

