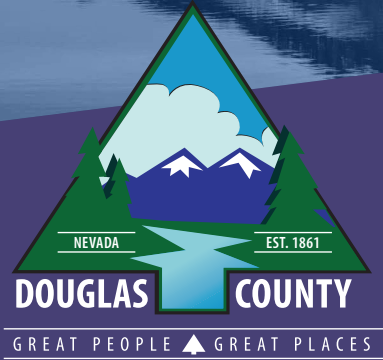


FIRST QUARTER FY2022-23



Terri Willoughby
Chief Financial Officer

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Minden, NV 89423
Phone: (775)7 82-6202
Fax: (775) 782-6271

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, 2022. Except as noted, revenue and expenditures are on target for the first quarter.

Adjusted Budgets and Revenue Estimates

Any budget augmentations approved by the Board of County Commissioners through September 30, 2022, have been included in the financial information presented.

General Fund

With 25% of the fiscal year completed, General Fund actual revenues are 28% of estimates, and expenditures are at 19% 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, which are at 19% of the budgeted amount as of September 30, 2022. Staff will be closely monitoring State Consolidated Tax revenues, as this is the first year that the County does not have "guaranteed" status. Total General Fund revenues are \$1,464,000 (10%) greater than the prior year at the same time, while expenditures are approximately 6% greater than the prior year.

General Fund	Budget	As of 9/30/22	% Completed
Revenues	\$58,041,895	\$16,144,878	28%
Expenditures	58,254,121	11,336,793	19%
Transfers (Net)	(2,816,277)	(1,476,063)	52%
Net Surplus (Deficit)	(3,028,503)	3,332,022	
Unassigned Fund Balance, Start of Year	21,097,545	21,097,545	
Unassigned Fund Balance, Year to Date	\$18,069,042	\$24,429,567	

	9/30/21	9/30/22	Variance	% Variance
Revenues	\$14,680,819	\$16,144,878	\$1,464,059	10%
Expenditures	10,639,399	11,336,793	\$697,394	6.6%
Transfers (Net)	(4,273,498)	(1,476,063)	(\$2,797,435)	(35%)

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 @ 9/30/22	% Received
Property Tax	\$27,284,134	\$12,052,794	44%
Consolidated Tax	15,879,796	1,346,776	8%
Franchise Fees/Utility Operator Fees	2,525,500	588	0%
Building/Engineering/Planning	3,450,389	1,069,866	31%
Gaming licenses/permits	579,300	140,924	24%
Fines & forfeitures	545,000	135,082	25%
VHR Permits & Fines	506,700	71,944	14%
Other	7,536,066	1,535,645	20%
Total	58,306,885	16,353,618	28%

Consolidated taxes

As of September 30, 2022, 8% of the projected revenues were received, which is comparable to the percentage received in the prior year. With only one month recorded, actual revenues are \$239,000 greater than received at the same time last year. Taxable sales for the current year (July and August 2022) are 18.1% greater than the prior fiscal year. Staff will be continuing to monitor available data as this is the first year that Douglas County is not considered a "guaranteed County" under Nevada law.

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 ahead of the projections for the fiscal year, with 31% of the projected revenues received as of September 2022. Staff will continue to work with the Community Development Department to monitor any potential effects of the increases by the Federal Reserve on local development.

Gaming licenses/permits:

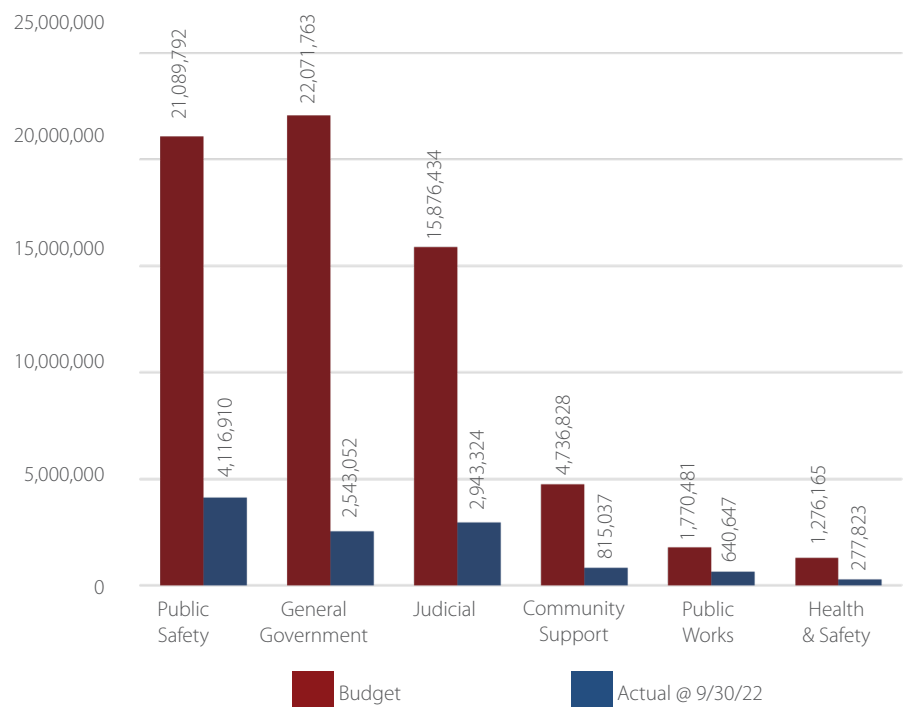
These are licenses and permits based primarily on the number of gaming machines in County establishments and not related to actual gaming activities.

Vacation Home Rental Permits/ Fines:

Permits and fines are slightly below the level received in the prior year, primarily due to increased scrutiny and regulations regarding permitting.

General Fund Expenditures

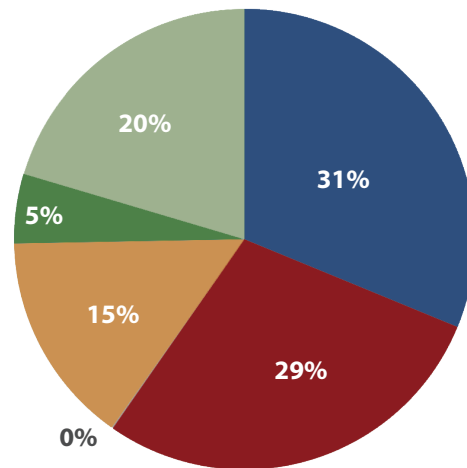
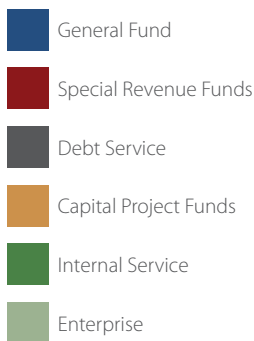
Budget to Actual through 9/30/22



FUND TYPES

Expenditures by Fund Type

YTD @ 9/30/22



Major Fund Activity — Through September 30, 2022

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 9/30/22	% Completed
Room Tax-Revenues Commercial	13,318,697	4,040,080	30%
Room Tax-Revenues VHR	4,069,644	1,288,543	32%
Tourism Surcharge	2,472,020	608,494	25%
Program Revenues	1,757,614	52,471	3%
Other Revenues	546,292	439,950	81%
Total Revenue	22,164,267	6,429,538	29%

Room Tax Expenditures	Budget	As of 9/30/22	% Completed
Room Tax Distributions	14,620,054	4,359,088	30%
Other Expenditures	9,836,646	1,716,663	17%
Total Expenditures	24,456,700	6,075,751	25%
Transfers (Net)	514,698	(17,822)	-3%
Net Surplus (Deficit)	(1,777,735)	335,966	
Balance, Start of Year	5,658,207	5,658,207	
Balance, Year to Date	\$6,172,905	\$5,640,386	

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

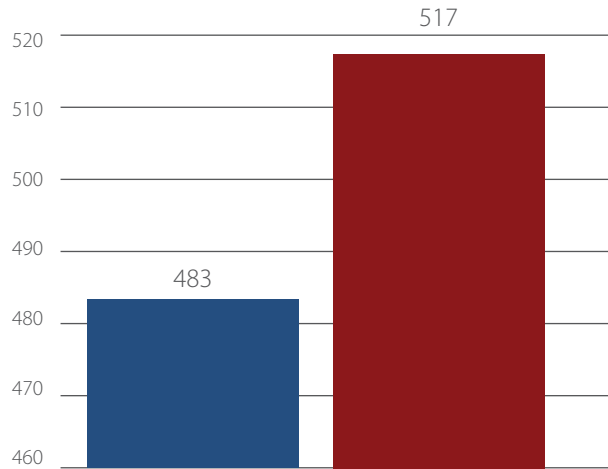
A fiduciary fund is used to report assets that are held for others and cannot be used to support the programs of the local government.

EMPLOYEES, AUDIT & UPDATES

Employees

YTD @ 9/30/22

Full-Time Employees Only



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 oversight 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

There is a joint Audit Committee and Board of County Commissioner meeting scheduled for September 30, 2022, for a presentation by Eide Bailly, the County's external auditors, on the results of the Fiscal Year 2020-22 audit and the County's Annual Comprehensive Financial Report for the same period.

Audit Committee Members

Douglas County Commissioner
Walt Nowosad
Vacant
Teresa Rankin (Chair)
Timothy McCoy
Martha Scheuermann

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

Finance Department Updates

The Finance Department will begin work on the Fiscal Year 2023-24 budget in early January 2023.