

THIRD QUARTER FY2022-23



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 nine months of the year completed, we can look at trends based on historic performance at the same time frame in prior years and prepare projections for the next fiscal year. This report summarizes the County's overall financial position through March 31, 2023. Except as noted, revenue and expenditures are on target as of March 31, 2023, representing 75% of the fiscal year.

Adjusted Budgets and Revenue Estimates

Any budget augmentations approved by the Board of County Commissioners through March 31, 2023, have been included in the financial information presented.

General Fund

With 75% of the fiscal year completed, General Fund actual revenues represent 79% of estimates, and actual expenditures are at 62% of projections. The primary variance in revenues is due to greater than anticipated property tax revenue as well as; franchise fee and utility operator fees, with the expenditure variance primarily due to salary savings across General Fund departments, with actual expenditures at 66% of the budgeted amount as of March 31, 2023, which represents 75% of the fiscal year. Consolidated Tax revenues are slightly lower than originally projected, but are still over \$900,000 (11%) greater than the prior year at the same time. Total General Fund revenues (excluding transfers) are \$4,830,353 (12%) greater than the prior year at the same time, while expenditures are approximately 15% greater than the prior year at this time.

General Fund	Budget	As of 3/31/23	% Completed
Revenues	\$58,783,573	\$46,689,877	79%
Expenditures	62,291,223	38,878,371	62%
Transfers (Net)	(12,449,310)	(11,835,529)	95%
Net Surplus (Deficit)	(15,956,960)	(4,024,023)	
Unassigned Fund Balance, Start of Year	25,057,561	25,057,561	
Unassigned Fund Balance, Year to Date	\$9,100,601	\$21,033,538	

	3/31/22	3/31/23	Variance	% Variance
Revenues	\$41,859,524	\$46,689,877	\$4,830,353	12%
Expenditures	33,134,760	38,878,371	\$5,743,611	17.3%
Transfers (Net)	(6,343,077)	(11,835,529)	\$(5,492,452)	187%

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

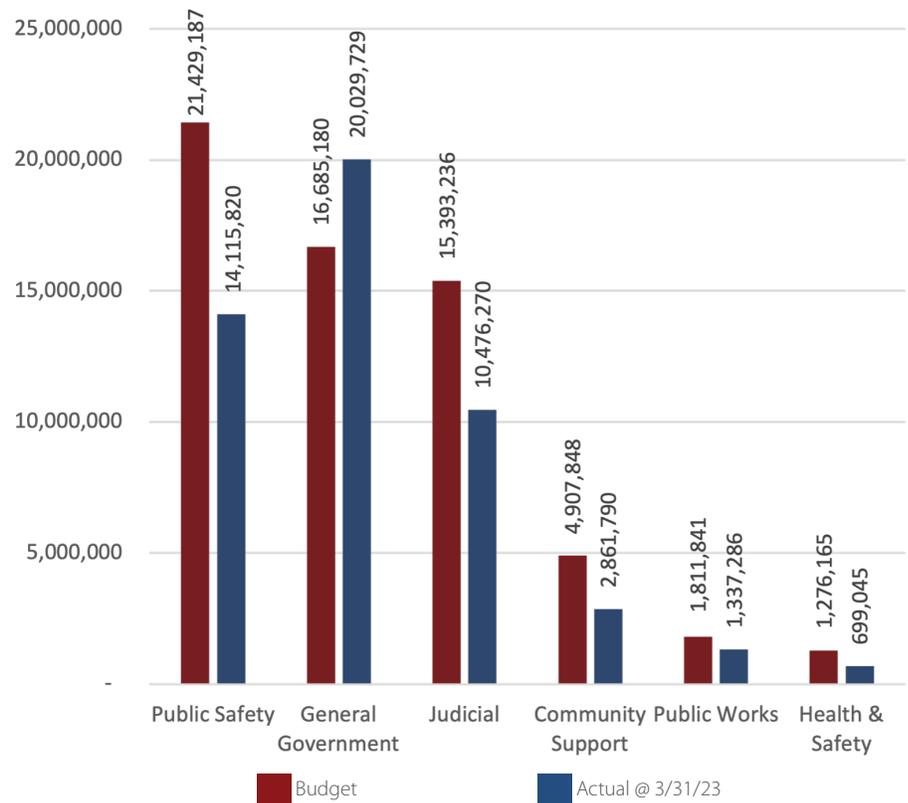
Top Six Revenues

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 @ 3/31/2023	% Received
Property Tax	\$27,284,134	\$27,415,897	100%
Consolidated Tax	15,879,796	9,073,588	57%
Franchise Fees/Utility Operator Fees	2,525,500	1,585,736	63%
Building/Engineering/Planning	3,450,389	2,455,215	71%
Gaming licenses/permits	579,300	545,094	94%
Fines & forfeitures	545,000	571,422	105%
VHR Permits & Fines	506,700	486,824	96%
Other	8,601,677	5,126,273	60%
Total	\$59,372,496	\$47,260,050	80%

General Fund Expenditures

Budget to Actual through 3/31/23



Consolidated Taxes: As of March 31, 2023, 57% of the projected revenues were received, which is comparable to the percentage received in the prior year. With six months of activity recorded, actual revenues are \$916,748 greater than received at the same time last year. Taxable sales for the current year (July 2022 through February 2023) are 9% 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. During the current fiscal year, both Southwest Gas & NV Energy, which are the two largest contributors of utility operator fees have reported increases in their revenue, which in turn increases the County's fees (2.5% to Douglas County). Utility operator fees from received these agencies are approximately 35% over the prior year.

Building/Engineering/Planning revenues:

Fees and permits related to development activity are on target with projections, with 71% of the projected revenue received as of March 31, 2023. Total revenues received as of March 31, 2023 were \$225,000 greater than at the same time in the prior year.

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.

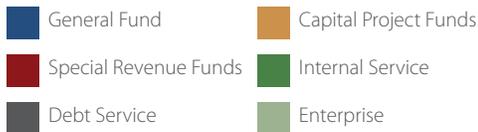
Vacation Home Rental Permits/ Fines:

Permits and fines are at approximately the same level as in the prior year.

FUND TYPES

Expenditures by Fund Type

YTD @ 3/31/23



Major Fund Activity — Through 3/31/23

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 2022-23 include funding for the design and engineering of the County's Pickleball Complex and improvements to the Topaz Campground.

Room Tax	Budget	As of 3/31/23	% Completed
Room Tax-Revenues Commercial	\$13,318,697	\$10,088,997	76%
Room Tax-Revenues VHR	4,069,644	2,960,445	73%
Tourism Surcharge	2,472,020	1,748,450	71%
Program Revenues	1,757,614	1,330,856	76%
Other Revenues	588,332	504,213	86%
Total Revenue	\$22,206,307	\$16,632,961	75%

Room Tax Expenditures	Budget	As of 3/31/23	% Completed
Room Tax Distributions	\$14,620,054	10,906,689	75%
Other Expenditures	9,728,629	5,405,065	56%
Total Expenditures	24,348,683	16,311,754	67%
Transfers (Net)	514,698	279,358	54%
Net Surplus (Deficit)	(1,627,678)	600,565	
Balance, Start of Year	5,658,207	5,658,207	
Balance, Year to Date	\$4,030,529	\$6,258,772	

China Spring Youth Camp	Budget	As of 3/31/23	% Completed
Revenues	\$4,962,475	\$2,924,492	59%
Expenditures	5,152,239	3,194,719	62%
Transfers (Net)	18,940	-	0%
Net Change	(170,824)	(270,227)	
Balance, Start of Year	1,083,250	1,083,250	
Balance, Year to Date	\$912,426	\$813,023	

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

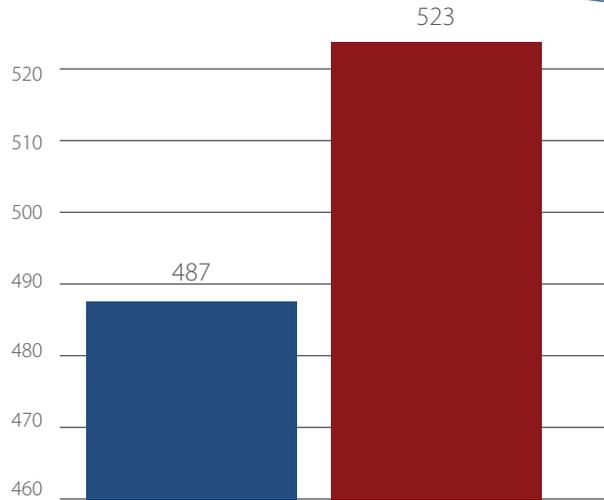
A fiduciary fund is used to report assets that are held for others and cannot be used to support the programs of the local government.

EMPLOYEES, AUDIT & UPDATES

Employees

YTD @ 3/31/23

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

The Audit Committee is expected to meet in June 2023, and review two of the Internal Audit program for the current year: Cash Handling Update and a review of the County's Purchasing Card program. At this meeting, the proposed Internal Audit programs for the upcoming year will be reviewed and selections recommended for approval by the Board of County Commissioners.

Finance Department Updates

The Finance Department presented the Fiscal Year 2023-24 Tentative Budget to the Board of County Commissioners in April 2023, and the final budget will be presented to the Board at their May 18, 2023 meeting. Additionally, the County's Capital Improvement Program was presented to the Board in May 2023. The first year of the capital improvement program, pending funding availability, will be included in the final budget.

Audit Committee Members

Douglas County Commissioner
Walt Nowosad

Jessica Sayles

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