



# ANNUAL FINANCIAL REPORT

DOUGLAS COUNTY, NEVADA  
FISCAL YEAR ENDED JUNE 30, 2019



GREAT PEOPLE, GREAT PLACES

# WELCOME

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Dear Reader;

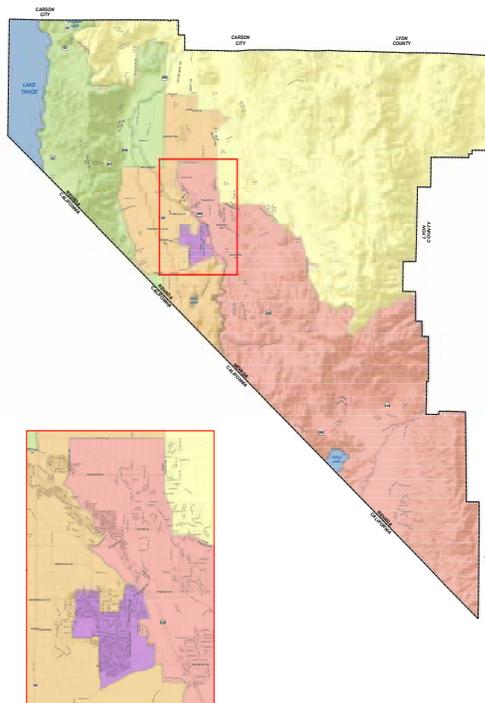
In an effort to provide the citizens of Douglas County with transparent financial information, I am pleased to submit Douglas County's first ever Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2019.

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

[https://www.douglascountynv.gov/government/departments/finance/financial\\_reports](https://www.douglascountynv.gov/government/departments/finance/financial_reports)

I hope that you find this publication helpful. We encourage you to access the Finance Department's page on the County's website or contact the Finance Department at (775) 782-6202.

Terri A. Willoughby,  
Chief Financial Officer



## COUNTY LEADERSHIP FY2018-FY2019

### Douglas County, NV Commissioner Districts

-  District 1 - Dave Nelson  
(Term expires 2020)
-  District 2 - John Engels  
(Term expires 2022)
-  District 3 - Larry Walsh  
(Term expires 2020)
-  District 4 - Wesley Rice  
(Term expires 2022)
-  District 6 - Barry Penzel  
(Term expires 2020)

# STATEMENT OF NET POSITION

The Statement of Net Position presents information on all of the County's asset, liabilities and deferred inflows and outflows of resources. It is a snapshot of accounts balances as of June 30, 2019. 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	
	2019	2018 (Restated)	2019	2018 (Restated)	2019	2018 (Restated)
<b>Assets</b>						
Current, restricted and other	\$80,451,889	\$82,386,390	\$35,910,680	\$32,378,240	116,362,569	\$114,764,230
Capital	108,751,262	122,382,866	132,374,879	100,633,319	241,126,141	223,016,185
<b>Total assets</b>	<b>189,203,151</b>	<b>204,769,256</b>	<b>168,285,559</b>	<b>133,011,559</b>	<b>357,488,710</b>	<b>337,780,815</b>
Deferred outflows of resources	13,164,334	8,455,725	879,138	704,375	14,043,472	9,160,100
<b>Liabilities</b>						
Current	11,626,387	15,821,318	2,871,044	2,649,387	14,497,431	18,470,705
Long-term	101,386,635	95,451,496	17,861,952	16,727,776	119,248,587	112,179,272
<b>Total liabilities</b>	<b>113,013,022</b>	<b>111,272,814</b>	<b>20,732,996</b>	<b>19,377,163</b>	<b>133,746,018</b>	<b>130,649,977</b>
Deferred inflows of resources	7,232,645	8,731,546	409,443	537,893	7,642,088	9,269,439
<b>Net position</b>						
Net investment in capital assets	85,837,388	96,767,284	118,825,626	88,193,061	204,663,014	184,960,345
Restricted	39,719,494	47,698,077	803,845	1,056,623	40,523,339	48,754,700
Unrestricted	(43,435,064)	(51,244,740)	28,392,787	24,551,194	(15,042,277)	(26,693,546)
<b>Total net position</b>	<b>\$82,121,818</b>	<b>\$93,220,621</b>	<b>\$148,022,258</b>	<b>\$113,800,878</b>	<b>\$230,144,076</b>	<b>\$207,021,499</b>

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.

## Net Position by Component Douglas County Last 5 Fiscal Years



# ASSETS & LIABILITIES

## Douglas County Assets & Liabilities

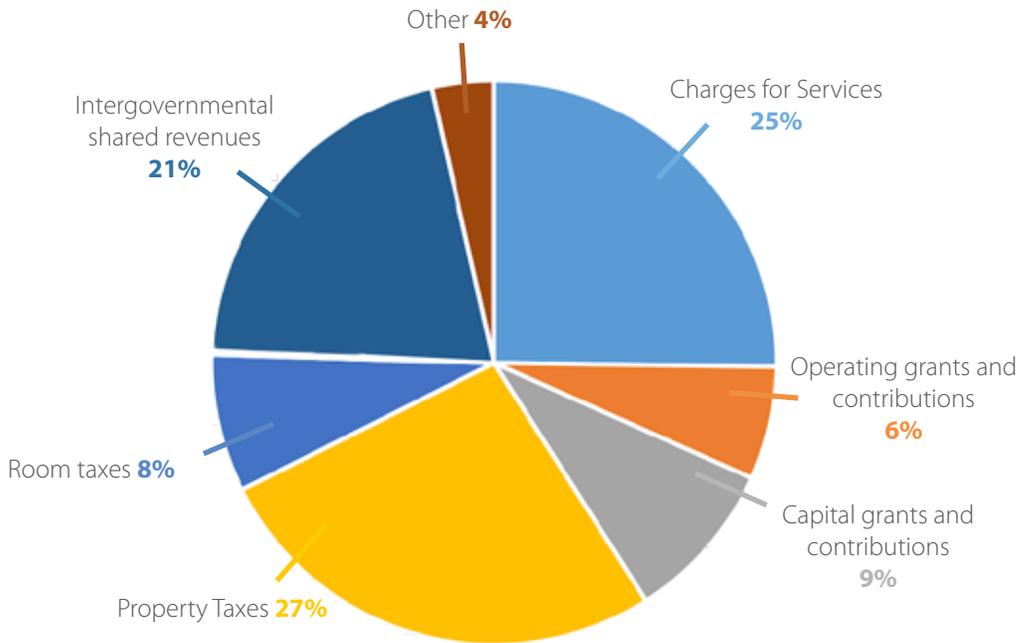
<b>Our Assets - What We Have</b>	<b>2019</b>	<b>2018 (restated)</b>
Current Assets: mainly cash and amounts owed to the County	\$116,362,569	\$114,764,630
Net Capital Assets (Buildings, infrastructure, equipment)	241,126,141	223,016,185
<b>Total County Assets</b>	<b>357,488,710</b>	<b>337,780,815</b>
Deferred Outflow of Resources (Use of net assets in future period)	14,043,472	9,160,100
<b>Our Liabilities - What We Owe</b>	<b>2019</b>	<b>2018</b>
Current Liabilities: all of the amounts the County owes, except debt	14,497,431	18,470,705
Long-term liabilities: long-term debt owed, pension obligations	119,248,587	112,179,272
<b>Total County Liabilities</b>	<b>133,746,018</b>	<b>130,649,977</b>
Deferred Inflow of Resources (Gain of net assets in future period)	7,642,088	9,269,439
<b>Total Net Position of County</b>	<b>\$230,144,076</b>	<b>\$207,021,499</b>

## Douglas County Net Position Breakdown

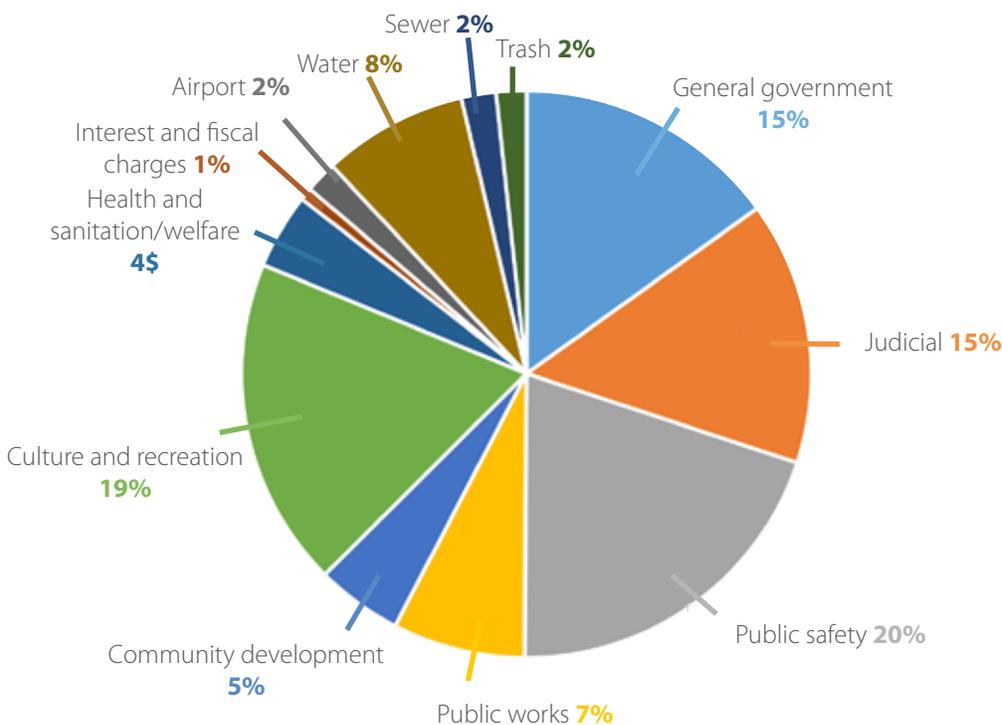


# STATEMENT OF ACTIVITIES

## Revenue (in Thousands)



## Expenses by Function (in Thousands)



## Revenue

- Property taxes, also known as Ad valorem taxes, are 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 and is a fund established for the purpose of accounting 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 Jun 30, 2018*

	2015	2016	2017	2018	2019
Nonspendable	\$207,410	\$430,324	\$790,743	\$707,836	\$655,651
Restricted	2,532,913	991,494	4,454,583	3,943,908	3,576,916
Committed	0	0	0	0	0
Assigned	741,428	365,055	365,700	0	0
Unassigned	8,644,481	9,504,350	6,646,114	4,533,001	7,936,652
<b>Total</b>	<b>\$12,126,232</b>	<b>\$11,291,233</b>	<b>\$12,257,140</b>	<b>\$9,184,375</b>	<b>\$12,169,219</b>

### 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 a 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

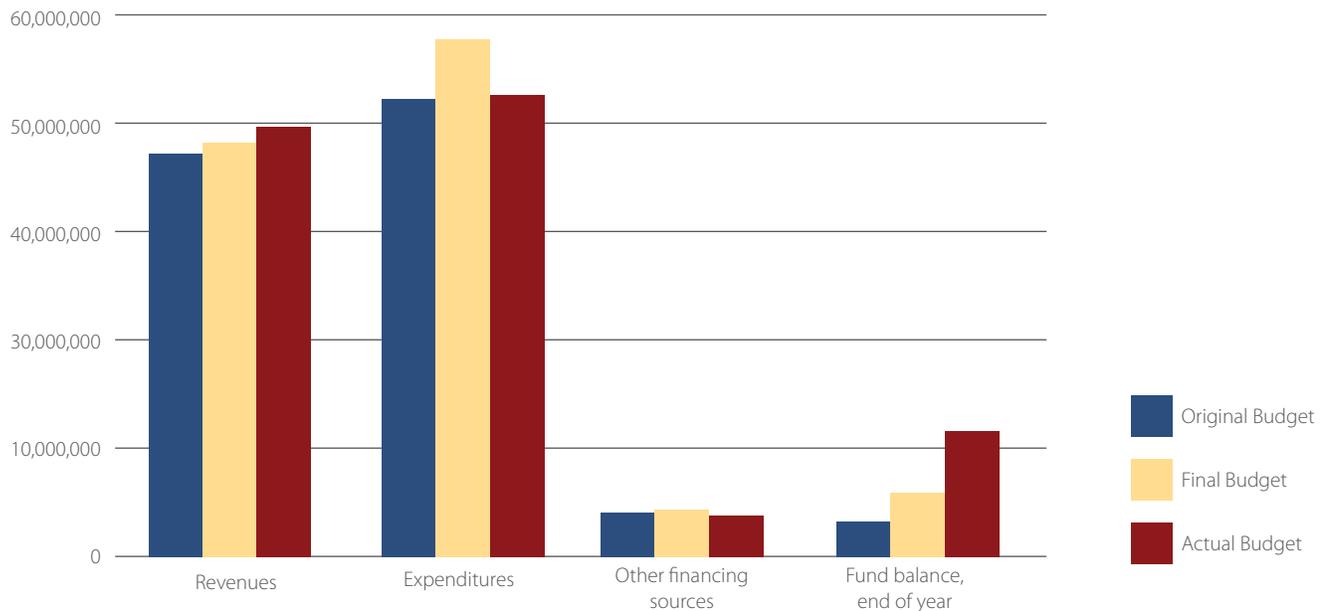
## General Fund

### Summary Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual For the Year Ended June 30, 2019

	Original budget	Final budget	Actual	Variance
Total revenues	\$46,384,659	\$48,471,437	\$49,982,985	\$1,511,548
Total expenditures	42,577,232	46,774,016	42,540,070	4,233,946
Excess (deficiency) of revenues over (under) expenditures	3,807,427	1,697,421	7,442,915	5,745,494
Total other financing sources (uses)	(4,705,877)	(4,935,699)	(4,458,441)	477,258
Change in fund balance	(898,450)	(3,238,278)	2,984,474	6,222,752
Fund balance, beginning of year	4,365,261	9,184,386	9,184,745	373
<b>Fund balance, end of year</b>	<b>\$3,466,811</b>	<b>\$5,946,108</b>	<b>\$12,169,219</b>	<b>\$6,223,125</b>

## General Fund Budget vs. Actual



At June 30, 2019, General Fund balance exceeded the final budget by \$6,223,125. General Fund revenues exceeded the final budget by \$1,511,548 primarily to greater than anticipated building permit revenue, intergovernmental consolidated taxes and fees. General Fund expenditures were less than the final budget by \$4,233,946 primarily due to personnel vacancies as well as projects that were budgeted but not 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, 2019 was \$3,145,381,385. This results in a debt limit of \$314,538,139. The County's total net debt subject to this limitation is \$23,514,628 which leaves a remaining legal debt margin of \$291,023,511.

## Douglas County Legal Debt Margin Computation

**Last Five Fiscal Years** *Fiscal Year Ended June 30*

	2015	2016	2017	2018	2019
Debt limit	\$273,344,635	\$281,396,587	\$296,129,373	\$303,632,749	\$314,538,139
Total net debt subject to limitation	31,905,109	28,555,979	25,775,196	23,269,819	23,514,628
Legal debt margin	241,439,526	252,840,608	270,354,177	280,362,930	291,023,628
Total debt as a % of debt limit	11.67%	10.15%	8.70%	7.66%	7.48%



# OUTLOOK

## Local Economy and Outlook

Overall, economic conditions are improving in the County, with the County's unemployment rate continuing to trend lower. The June 2019 rate was 4.2%, as compared with 4.4% in June of 2016. As of October 2019, the rate had decreased again, to 3.4%.

Residential building permits, a leading indicator of economic activity, have decreased slightly from the prior year. In Fiscal Year 2018-19, 1,752 building permits were issued, a decrease of 4.5% from the prior year.

The sales price of residential homes in Douglas County in 2019 was 19% higher than in 2017, with the County's median sales price increasing to \$446,000.

Total assessed property value within the County increased 4% from the prior year, for a total value of \$3,145,381,385.

## 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 2019

Harrah's	1,000-1,499
Montbleu Resort	1,000-1,499
Carson Valley Inn	500-999
Hard Rock Hotel-Casino	500-999
Harvey's	500-999
Topaz Lodge & Casino	500-999
Washeshu Casino	500-999
Carson Valley Medical Center	250-499
Heavenly Mountain Resort	250-499
Katie's Country Kitchen	250-499
Ridge Tahoe	250-499
Zephyr Cove Resort & Marina	250-499
Brook's Bar & Deck	100-249

### Douglas County Principal Property Tax Payers

Caesar's Entertainment
Edgewood Companies
NV Energy
Harich Tahoe Development (The Ridge)
Starbucks



Population:  
**48,467**

Labor Force:  
**23,769**



Median Person Income:  
**\$61,176**

Median Age:  
**50.8**



Unemployment rate:  
**4.2%**

# 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) are 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 48,300 with seasonal populations that can exceed 65,000 due to its proximity to Reno, Carson City and northern California.



[www.douglascountynv.gov](http://www.douglascountynv.gov)