

Douglas County Quarterly Financial Report

2nd Quarter of Fiscal Year 2014-15
Ended December 31, 2014



Prepared by the Douglas County Manager's Office and the Finance Department

Table of Contents

	Page Number
Executive Summary	3
Actual vs. Budget Comparison (All County Funds)	4
Actual vs. Budget Comparison General Fund	5
Room Tax Fund	8
Road Operating Fund	10
Major Capital Improvement Projects	12

Executive Summary

It is a pleasure to present you with Douglas County's Quarterly Financial Report for the first quarter of Fiscal Year (FY) 2014 -15, which ended December 31, 2014. The report includes budget vs. actual and year-over-year financial data, and an update on major capital improvements in progress.

The following is a brief summary of the report:

- The overall financial status at the end of the second quarter for all County funds^[1] is positive and within budget expectations, with revenues received at 49% and expenditures at 43%.
- The General Fund has received \$19,132,983, or 48% of its budgeted revenue, and has expended \$19,005,513, or 45% of its budgeted expenses.
- The Room Tax Fund has received 5,314,115, or 48% of its budgeted revenues. This fund has expended \$8,846,414 or 70% of its budgeted expenses, primarily due to capital costs associated with the completed construction of the new Community and Senior Center during the quarter.
- The Road Operating Fund has received \$ 1,036,253, or 56% of its budgeted revenue, and has expended \$1,552,881, or 61% of its budgeted expenses. While this fund is not over budget in total, it has expended 119% its services and supplies budget primarily due to the unforeseen work associated with the flood events last summer. Staff will be bringing a recommendation to the Board to correct this budget with an augmentation of one-time funding from the Extra Ordinary Maintenance Fund and/or the General Fund adjusted opening fund balance.
- Major Capital Improvement Projects this quarter included the completed construction of the new Community and Senior Center. New projects this quarter include the Vista Grande Enhancement project, North Valley Waste Water Treatment Plant Upgrades and the Board Chambers Audio/Video/CCTV Upgrade projects.

Christine Vuletich
Assistant County Manager/Chief Financial Officer

[1] All County funds does not include the Towns of Gardnerville, Genoa and Minden, or the East Fork Fire and Paramedic District

Actual vs. Budget Comparison

Fiscal Year 2014-15

Positive and Within Budget

Douglas County (All County Funds)	First Quarter Actual	Second Quarter Actual	Cumulative Year to Date Actual	Annual Budget	% Actual to Budget
Resources					
Beginning Fund Balance/Reserves	39,378,584	40,434,597	38,236,842	43,530,750	
Revenues					
Governmental Funds: [1]					
Taxes	\$ 10,889,291	\$ 7,457,515	\$ 18,346,806	\$ 30,668,232	60%
Licenses and Permits	1,074,370	1,757,011	2,831,381	6,310,893	45%
Intergovernmental	2,584,312	4,749,140	7,333,452	21,398,832	34%
Charges for Services	1,500,136	1,383,588	2,883,724	7,516,950	38%
Fines and Forfeits	212,433	279,636	492,069	1,231,800	40%
Other Revenues	583,669	1,528,006	2,111,676	2,209,031	96%
Transfers In	1,132,946	1,752,464	2,885,410	6,121,979	47%
<i>Subtotal Governmental Revenues</i>	<u>17,977,156</u>	<u>18,907,360</u>	<u>36,884,516</u>	<u>75,457,717</u>	<u>49%</u>
Enterprise Funds: [2]					
Operating Revenues	2,807,744	2,779,770	5,587,514	12,174,744	46%
Non-Operating Revenues	201,094	412,673	613,767	1,191,861	51%
<i>Subtotal Enterprise Revenues</i>	<u>3,008,838</u>	<u>3,192,443</u>	<u>6,201,281</u>	<u>13,366,605</u>	<u>46%</u>
Total Revenues	\$ 20,985,994	\$ 22,099,803	\$ 43,085,797	\$ 88,824,322	49%
Total Resources	\$ 60,364,578	\$ 62,534,400	\$ 81,322,639	\$ 132,355,072	
Requirements					
Expenditures/Expenses					
Governmental Funds: [1]					
Salaries & Wages	\$ 5,531,953	\$ 6,988,947	\$ 12,520,900	\$ 26,729,177	47%
Employee Benefits	2,822,193	3,008,285	5,830,478	13,354,758	44%
Services & Supplies	4,218,362	5,245,933	9,464,295	21,382,039	44%
Capital Outlay	2,342,415	630,106	2,972,521	7,421,046	40%
Miscellaneous	501,766	1,538,070	2,039,836	5,135,775	40%
Debt Service	305,402	1,117,716	1,423,118	3,190,882	45%
Transfers Out	1,152,386	1,771,904	2,924,290	6,485,016	45%
<i>Subtotal Governmental Expenditures</i>	<u>16,874,477</u>	<u>20,300,961</u>	<u>37,175,439</u>	<u>83,698,693</u>	<u>44%</u>
Enterprise Funds: [2]					
Salaries & Wages	304,197	347,618	651,815	1,487,772	44%
Employee Benefits	132,325	139,572	271,897	625,843	43%
Services & Supplies	1,403,979	1,788,118	3,192,096	6,988,746	46%
Capital Expense	75,303	196,331	271,635	2,652,487	10%
Debt Service	5,609	328,366	333,975	2,336,005	14%
Transfers Out	-	62,500	62,500	125,000	50%
<i>Subtotal Enterprise Expenses</i>	<u>1,921,413</u>	<u>2,862,506</u>	<u>4,783,919</u>	<u>14,215,853</u>	<u>34%</u>
Total Expenditures/Expenses	\$ 18,795,890	\$ 23,163,467	\$ 41,959,357	\$ 97,914,546	43%
Net Revenue(Expense)	\$ 2,190,104	\$ (1,063,664)	\$ 1,126,440	\$ (9,090,224)	
Ending Fund Balance/Reserves	\$ 40,434,597	\$ 38,236,842	\$ 38,229,191	\$ 33,306,435	
Contingency	\$ 1,134,091	\$ 1,134,091	\$ 1,134,091	\$ 1,134,091	
Total Requirements	\$ 60,364,578	\$ 62,534,400	\$ 81,322,639	\$ 132,355,072	

[1] **Governmental Funds** include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds

[2] **Enterprise Funds** include Utility Funds and Internal Service Funds

Actual vs. Budget Comparison

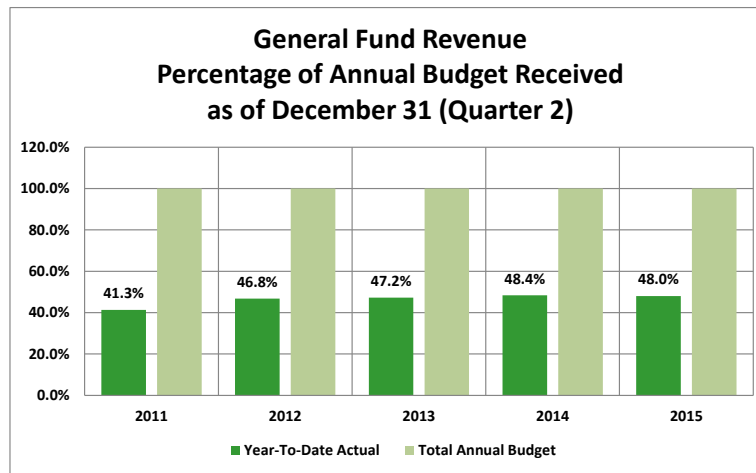
Fiscal Year 2014-15

Positive and Within Budget

General Fund	First Quarter	Second Quarter	Year to Date Actual	Annual Budget	% Actual to Budget
Resources					
Beginning Fund Balance/Reserves	7,920,138	\$ 8,583,915	\$ 8,602,966	7,920,138	
Revenues					
Taxes	\$ 6,943,280	\$ 4,338,724	\$ 11,282,004	\$ 18,397,813	61%
Licenses and Permits	427,917	910,934	1,338,851	3,450,200	39%
Intergovernmental	1,230,341	3,037,549	4,267,890	12,895,195	33%
Charges for Services	1,115,644	1,014,138	2,129,781	4,110,836	52%
Fines and Forfeits	201,118	264,325	465,443	1,178,800	39%
Other Revenues	37,996	128,875	166,872	821,121	20%
Transfers In	18,750	18,750	37,500	75,000	50%
Total Revenues	\$ 9,975,046	\$ 9,713,295	\$ 19,688,341	\$ 40,928,965	48%
Total Resources	\$ 17,895,184	\$ 18,297,211	\$ 28,291,307	\$ 48,849,103	
Requirements					
Expenditures/Expenses					
Salaries & Wages	\$ 4,012,603	\$ 4,634,585	\$ 8,647,188	\$ 19,174,708	45%
Employee Benefits	2,136,631	2,086,519	4,223,149	10,079,238	42%
Services & Supplies	2,365,809	2,015,616	4,381,425	8,940,091	49%
Capital Outlay	79,616	45,812	125,429	387,667	32%
Transfers Out	716,609	911,714	1,628,322	3,429,266	47%
Total Expenditures/Expenses	\$ 9,311,268	\$ 9,694,245	\$ 19,005,513	\$ 42,010,970	45%
Net Revenue(Expense)	\$ 663,777	\$ 19,050	\$ 682,828	\$ (1,082,005)	
Ending Fund Balance/Reserves	\$ 7,830,246	\$ 7,849,297	\$ 8,532,124	\$ 6,084,464	
Contingency	\$ 753,669	\$ 753,669	\$ 753,669	\$ 753,669	
Total Requirements	\$ 17,895,184	\$ 18,297,211	\$ 28,291,307	\$ 48,849,103	

General Fund Revenues

Positive and Within Budget



Budget vs. Actual Comparison

General Fund Revenue As of December 31	Fiscal Year				
	2011	2012	2013	2014	2015
Year-To-Date Actual	\$ 15,024,511	\$ 17,304,156	\$ 18,194,261	\$ 19,132,983	\$ 19,688,341
Total Annual Budget	\$ 36,384,790	\$ 36,995,627	\$ 38,521,815	\$ 39,539,918	\$ 41,017,747
Actual as a % of Budget	41.3%	46.8%	47.2%	48.4%	48.0%

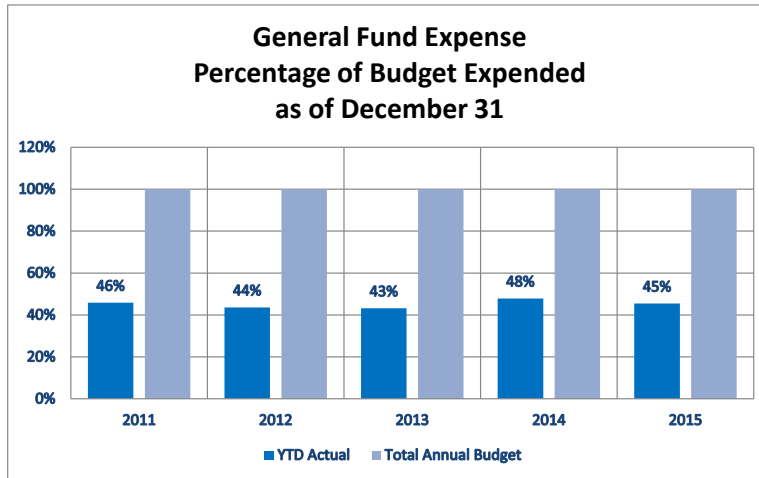
As of the end of the second quarter of fiscal year 2014-15, the County received \$19,688,341, or 48.0% of its budgeted annual General Fund revenue. Overall, revenues increased \$732,686, or 3.9% over the same period last year when adjusted for one-time transfers in the *All Other* revenue category that did not recur this year. Licenses and Permits increased 18.3% primarily due to building permits being up \$181,313, or 42% over the same period last year. Charges for Services also increased significantly primarily due to an increase in engineering fees of \$96,069, or 110% over the same period last year. State Consolidated Tax increased \$126,350, or 3.6%, and Property Taxes increased \$342,388 or 3.1% over the same period last year, which is in line with the projections for these revenue sources used in developing the FY 2014-15 Budget.

Year-to-Year Actuals Comparison

General Fund Actual Revenue As of December 31	2011	2012	2013	2014	2015	2015 vs. 2014 Variance	
						\$	%
Property Tax	\$ 8,451,449	\$ 10,073,155	\$ 10,621,936	\$ 10,939,615	\$ 11,282,004	\$ 342,388	3.1%
Gaming	263,720	318,257	203,167	277,136	305,509	28,373	10.2%
State Consolidated Tax	2,660,082	3,276,201	3,411,394	3,551,097	3,677,447	126,350	3.6%
Licenses & Permits	891,290	826,929	920,673	1,126,802	1,332,831	206,029	18.3%
Intergovernmental	423,778	368,448	530,454	270,763	290,953	20,190	7.5%
Charges for Services	1,649,591	1,693,202	1,784,905	1,977,406	2,129,781	152,376	7.7%
Fines & Forfeitures	468,792	523,031	546,379	456,449	465,443	8,994	2.0%
All Other	215,808	224,934	175,353	533,714	204,372	(329,343)	-61.7%
Total	\$ 15,024,511	\$ 17,304,156	\$ 18,194,261	\$ 19,132,983	\$ 19,688,341	\$ 555,358	2.9%
Adjusted				\$ 18,955,655	\$ 19,688,341	\$ 732,686	3.9%

General Fund Expenses

Positive and Within Budget



Budget vs. Actual Comparison

General Fund Expense

As of December 31	2011	2012	2013	2014	2015
YTD Actual	\$ 18,110,049	\$ 17,216,768	\$ 17,623,993	19,789,774	19,005,513
Total Annual Budget	\$ 39,507,221	\$ 39,472,378	\$ 40,819,071	41,341,916	41,823,699
Actual as a % of Budget	45.8%	43.6%	43.2%	47.9%	45.4%

As of the end of Quarter 2, the County expended \$19,005,513, or 45.4% of its General Fund budgeted expenses. Overall General Fund expenditures were \$963,075, or 5.3% higher than the same period last year, when adjusted for timing differences in transfers out, which are now transacted quarterly rather than all in the first quarter of the fiscal year. Judicial and Public Safety expenditures increased \$159,189 and \$128,632, or 3.7% and 1.8% respectively and were within budget overall.

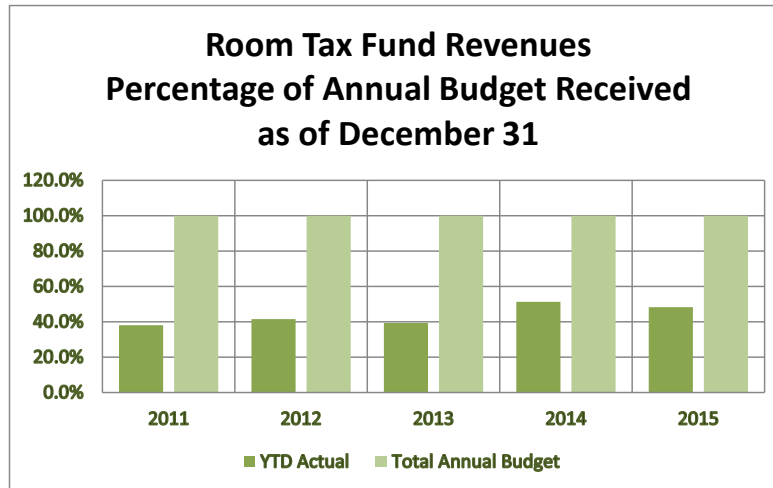
Year-to-Year Actuals Comparison

General Fund Expense As of December 31	2011	2012	2013	2014	2015	2015 vs. 2014 Variance	
						\$	%
General Government	\$ 5,884,632	\$ 5,413,244	\$ 5,723,318	\$ 6,940,555	\$ 6,455,309	\$ (485,246)	-7.0%
Judicial	4,177,974	4,093,337	4,143,415	4,286,624	4,445,813	\$ 159,189	3.7%
Public Safety	7,256,363	6,940,114	6,856,502	7,020,804	7,149,435	\$ 128,632	1.8%
Public Works	632,422	551,316	643,893	664,555	672,273	\$ 7,719	1.2%
Health & Sanitation	158,658	218,758	256,864	278,412	282,682	\$ 4,269	1.5%
Total	\$ 18,110,049	\$ 17,216,768	\$ 17,623,993	\$ 19,190,949	\$ 19,005,513	\$ (185,437)	-1.0%

Adusted	\$ 18,041,808	\$ 19,005,513	\$ 963,705	5.3%
----------------	----------------------	----------------------	-------------------	-------------

Room Tax Fund Revenues

Positive and Within Budget



Budget vs. Actual Comparison

Room Tax Fund Revenues

as of December 31	2011	2012	2013	2014	2015
YTD Actual	\$ 3,511,205	\$ 3,954,953	\$ 4,131,055	\$ 5,365,746	\$ 5,314,115
Total Annual Budget	\$ 9,204,555	\$ 9,531,183	\$ 10,503,581	\$ 10,460,137	\$ 11,011,488
Actual as a % of Budget	38.1%	41.5%	39.3%	51.3%	48.3%

As of the end of the second quarter, Room Tax Fund revenue received totaled \$5,314,115, or 48.3% of budget. Overall, Room Tax Fund revenues increased \$470,933, or 9.7% when adjusted for transfers in from the General Fund in the All Other revenue category, which are now transacted on a quarterly basis. Room taxes increased \$393,672, or 17.5% over the same period last year, and lodging license taxes were up \$142,070, or 16.3%. Intergovernmental revenues decreased \$172,314, or 23.9% due to a grant received in the prior year that did not recur this year. Charges for services increased \$78,490 or 15.3% over the prior year primarily related to the opening of the new Community and Senior Center.

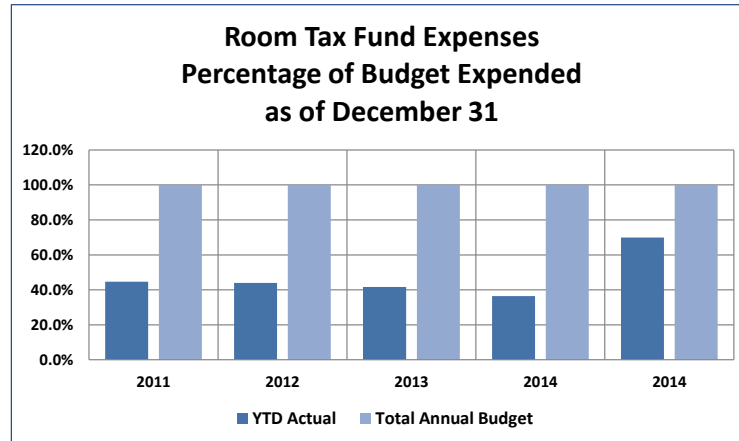
Year-to-Year Actuals Comparison

Room Tax Fund Revenues						2015 vs. 2014 Variance	
Quarter Ended December 31	2011	2012	2013	2014	2015	\$	%
Taxes	\$ 1,978,278	\$ 2,085,523	\$ 2,135,741	\$ 2,246,844	\$ 2,640,516	\$ 393,672	17.5%
Licenses & Permits	\$ 457,393	\$ 717,729	\$ 843,785	\$ 872,421	\$ 1,014,491	\$ 142,070	16.3%
Intergovernmental	\$ 397,266	\$ 490,215	\$ 525,527	\$ 721,685	\$ 549,371	\$ (172,314)	-23.9%
Charges for Services	\$ 585,025	\$ 588,778	\$ 560,574	\$ 514,427	\$ 592,916	\$ 78,490	15.3%
All Other	\$ 93,243	\$ 72,708	\$ 65,428	\$ 1,010,369	\$ 516,821	\$ (493,548)	-48.8%
	\$ 3,511,205	\$ 3,954,953	\$ 4,131,055	\$ 5,365,746	\$ 5,314,115	\$ (51,631)	-1.0%

Adjusted	\$ 4,843,182	\$ 5,314,115	\$ 470,933	9.7%
-----------------	---------------------	---------------------	-------------------	-------------

Room Tax Fund Expenses

Positive and Within Budget



Budget vs. Actual Comparison

Room Tax Fund Expenditures as of December 31	2011	2012	2013	2014	2015
YTD Actual	\$ 3,996,350	\$ 4,173,001	\$ 4,430,205	\$ 5,221,079	\$ 8,846,414
Total Annual Budget	\$ 8,939,034	\$ 9,483,844	\$ 10,633,395	\$ 14,342,371	\$ 12,654,269
Actual as a % of Budget	44.7%	44.0%	41.7%	36.4%	69.9%

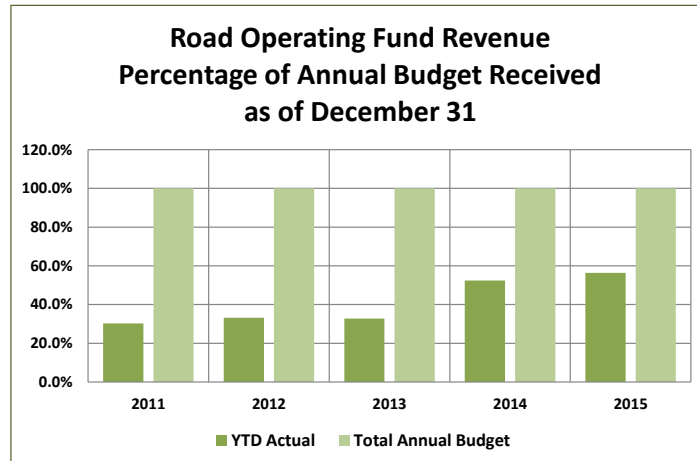
As of the end of Quarter 2, the Room Tax Fund expended \$8,846,414, or 69.9% of its annual budget. Overall, Room Tax Fund expenditures increased by \$1,468,819, or 28.1% over the same period last year. The increase is primarily in Parks capital projects, which increased \$1,540,126, or 118.3% and reflects the completed construction of the new Community and Senior Center. Recreation expenditures decreased \$144,000 or 9.7% primarily due to a reduction in budgeted transfers out in the current year.

Year-to-Year Actuals Comparison

YTD Actual Room Tax Fund Expenses as of December 31	2011	2012	2013	2014	2015	2015 vs. 2014 Variance	
						\$	%
Library	\$ 735,308	\$ 661,223	\$ 680,661	\$ 651,858	\$ 677,288	\$ 25,431	3.9%
Parks	\$ 632,088	716,288	815,025	1,301,594	2,841,720	\$ 1,540,126	118.3%
Recreation	\$ 1,264,188	1,202,067	1,249,607	1,485,148	1,341,055	\$ (144,093)	-9.7%
Tourism Promotion	\$ 1,364,766	1,593,423	1,684,912	1,782,479	1,829,835	\$ 47,356	2.7%
Total	\$ 3,996,350	\$ 4,173,001	\$ 4,430,205	\$ 5,221,079	\$ 6,689,898	\$ 1,468,819	28.1%

Road Operating Fund Revenues

Positive and Within Budget



Budget vs. Actual Comparison

Road Operating Fund Revenue as of December 31	2011	2012	2013	2014	2015
YTD Actual \$	395,171	\$ 447,574	448,713	\$ 708,890	\$ 1,036,253
Total Annual Budget \$	1,304,650	\$ 1,347,295	1,369,891	\$ 1,352,644	\$ 1,839,503
Actual as a % of Budget	30.3%	33.2%	32.8%	52.4%	56.3%

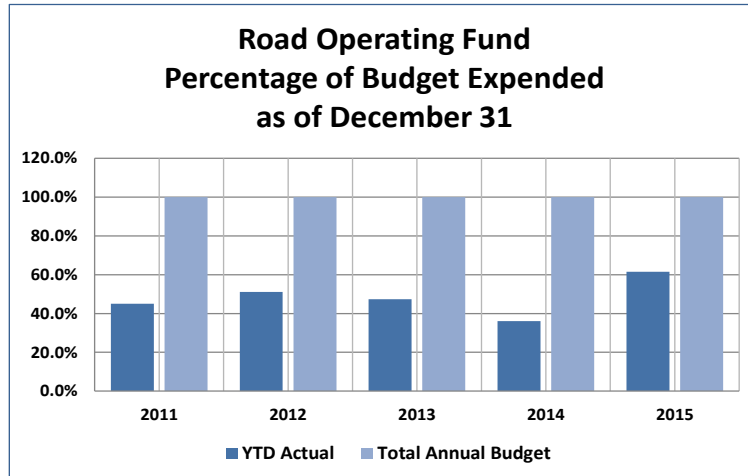
As of the end of Quarter 2, the Road Operating Fund received 1,036,253, or 56.3% of its budgeted annual revenue. This includes the proceeds of \$322,347 from the installment purchase agreement financing for the purchase of a new vector truck. Overall, when adjusted for the one-time proceeds from this financing operating revenues increased \$5,015 or 0.7% over the same period last year. While taxes increased \$67,818, or 56.8% (due to additional property taxes from the General Fund), this increase was offset by a decrease in charges for services.

Year-to-Year Actuals Comparison

Road Operating Fund Revenue As of December 31	2011	2012	2013	2014	2015	2015 vs. 2014 Variance	
						\$	%
Taxes - Other	\$ 128,378	\$ 115,694	\$ 102,799	\$ 119,343	\$ 187,161	\$ 67,818	56.8%
Intergovernmental	260,023	313,832	306,550	320,427	316,628	\$ (3,799)	-1.2%
Charges for Services	2,904	15,868	35,993	52,724	1,280	\$ (51,444)	-97.6%
Transfers In	-	-	-	214,343	207,172	\$ (7,172)	
All Other	3,866	2,180	3,371	2,054	324,013	\$ 321,959	15676.0%
Total	\$ 395,171	\$ 447,574	\$ 448,713	\$ 708,890	\$ 1,036,253	\$ 327,362	46.2%
Adjusted					\$ 713,906	\$ 5,015	0.7%

Road Operating Fund Expenses

Within Budget But Needs Action

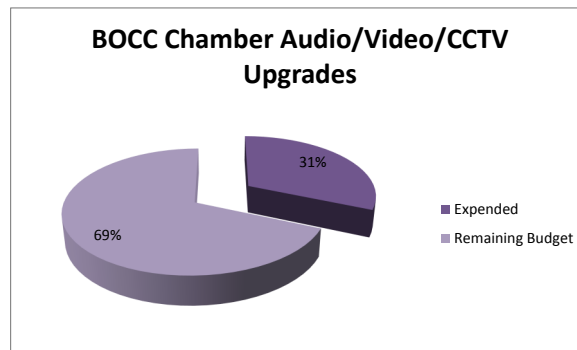
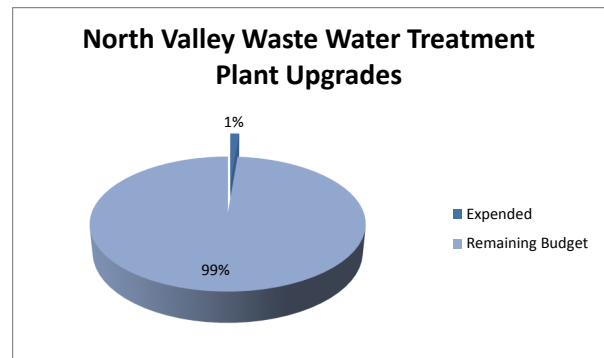
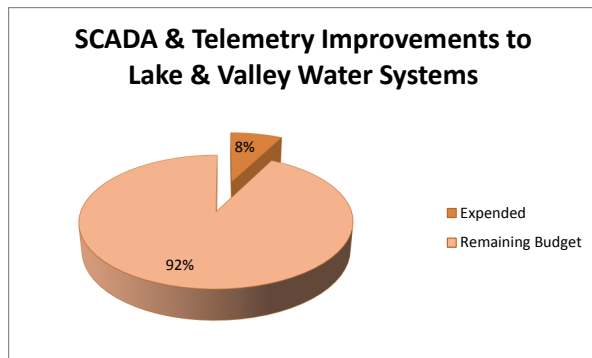
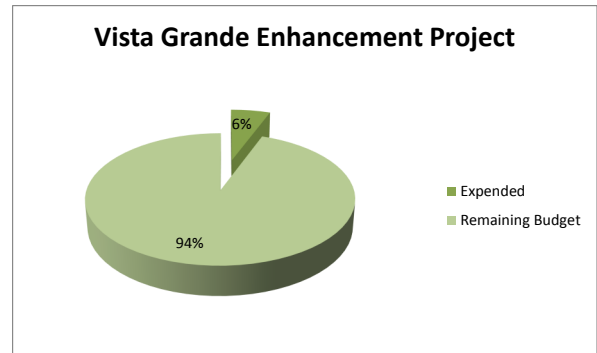
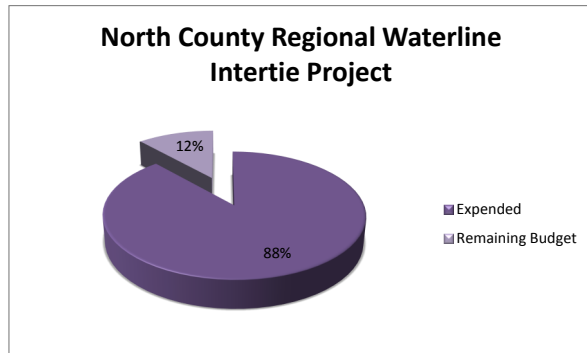


Budget vs. Actual Comparison					
Road Operating Fund Expenditures As of December 31	2011	2012	2013	2014	2015
YTD Actual	\$ 585,797	\$ 741,711	\$ 647,802	\$ 738,880	\$ 1,552,881
Total Annual Budget	\$ 1,301,176	\$ 1,450,720	\$ 1,367,969	\$ 2,047,923	\$ 2,524,818
Actual as a % of Budget	45.0%	51.1%	47.4%	36.1%	61.5%

- At the end of Quarter 2, the Road Operating Fund has expended \$1,552,881, or 61.5% of its annual budget. These expenditures include the purchase of a vector truck with the proceeds from the installment purchase financing, and the first annual debt service payment for that truck. Overall, when adjusted for the one-time vector truck purchase, expenditures were \$1,230,534, or 66.5% higher than the same period last year. While this fund is not over budget in total, it has expended 119% its services and supplies budget, primarily due to the unforeseen work associated with the flood events last summer. Staff will be bringing a recommendation to the Board to correct this budget with an augmentation of one-time funding from the Extra Ordinary Maintenance Fund and/or the General Fund adjusted opening fund balance.

Year-to-Year Actuals Comparison							
Road Operating Fund Expenses As of December 31	2011	2012	2013	2014	2015	2015 vs. 2014 Variance	
						\$	%
Road Operating Expenses	\$ 585,797	\$ 741,711	\$ 647,802	\$ 738,880	\$ 1,552,881	\$ 814,001	110.2%
Adjusted					\$ 1,230,534	\$ 491,654	66.5%

Major Capital Improvement Projects



Project Description	Project Budget	Expenditures 12/31/2014	Remaining Budget	% Complete
North County Regional Waterline Intertie	\$15,450,000	\$13,665,168	\$1,784,832	88%
SCADA & Telemetry Improvements	\$650,000	\$49,129	\$600,871	8%
Vista Grande Enhancement	\$1,320,000	\$74,474	\$1,245,526	6%
North Valley Waste Water Treatment Plant Upgrades	\$4,900,000	\$63,950	\$4,836,050	1%
Board Chambers Audio/Video/CCTV Upgrades	\$133,100	\$41,984	\$91,206	31%

