



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Clark County

For the period January 1, 2021 through December 31, 2021

Published September 26, 2022

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**Office of the Washington State Auditor
Pat McCarthy**

September 26, 2022

Board of County Councilors
Clark County
Vancouver, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on Clark County's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the County's financial condition.

Sincerely,

A handwritten signature in cursive script that reads "Pat McCarthy".

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Clark County January 1, 2021 through December 31, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of Clark County are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the County.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the County’s compliance with requirements applicable to each of its major federal programs, with the exception of the 93.268 – Immunization Cooperative Agreements on which we issued a qualified opinion on compliance with applicable requirements.

We reported findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
14.218	CDBG – Entitlement Grants Cluster – COVID-19 – Community Development Block Grants/Entitlement Grants
14.218	CDBG – Entitlement Grants Cluster – Community Development Block Grants/Entitlement Grants
20.205	Highway Planning and Construction Cluster – Highway Planning and Construction
21.019	COVID-19 – Coronavirus Relief Fund
21.023	COVID-19 – Emergency Rental Assistance Program
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
93.268	COVID-19 – Immunization Cooperative Agreements
93.268	Immunization Cooperative Agreements
93.323	COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$2,220,463.

The County did not qualify as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

See Findings 2021-001 and 2021-002.

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Clark County January 1, 2021 through December 31, 2021

2021-001 The County's internal controls were inadequate for ensuring compliance with allowable costs and cash management requirements.

CFDA Number and Title:	93.268 – COVID-19 – Immunization Cooperative Agreements
Federal Grantor Name:	U.S. Department of Health and Human Services
Federal Award/Contract Number:	N/A
Pass-through Entity Name:	Washington State Department of Health
Pass-through Award/Contract Number:	NH23IP922619
Questioned Cost Amount:	\$585,352

Description of Condition

The objective of the Immunization Cooperative Agreement (ICA) program is to reduce and ultimately eliminate vaccine-preventable diseases by increasing and maintaining high immunization coverage. The County spent \$1,898,191 of its ICA awards during fiscal year 2021.

Federal regulations require award recipients to establish and follow internal controls that ensure compliance with program requirements. These controls include understanding program requirements and monitoring the effectiveness of established controls.

The Washington State Department of Health operates this program on a reimbursement basis, meaning the County is required to incur and pay for eligible costs before requesting reimbursement. Our audit found the County's internal controls were inadequate for ensuring it only requested reimbursement for allowable expenses. The County submitted a claim for reimbursement for costs that the granting agency had already reimbursed. This resulted in the County receiving a cash advance, which the granting agency does not allow.

We consider this deficiency in internal controls to be a material weakness that led to material noncompliance.

This issue was not reported as a finding in the prior audit.

Cause of Condition

When preparing the March 2021 reimbursement request, County staff manually identified and included costs with an April 2021 general ledger accounting date. The County again included these same costs in the April 2021 reimbursement request. During their review, staff did not detect that the County had already charged these costs to the program.

Effect of Condition and Questioned Costs

The County charged \$585,352 to the program, which included \$143,782 for indirect costs that was unallowable because the granting agency had already reimbursed the County for these same costs. Therefore, we are questioning these costs.

Additionally, the \$585,352 received represented a cash advance, which the granting agency does not allow.

Recommendation

We recommend the County strengthen its internal controls to ensure compliance with federal requirements. Specifically, the County should strengthen its review of reimbursement requests to ensure that only allowable costs are claimed for reimbursement and do not include costs previously submitted. Additionally, we recommend the County consult with its grantor about returning any interest earned on the cash advance.

County's Response

Clark County thanks the Washington State Auditor's Office for their efforts throughout the audit process. The County acknowledges this finding.

The primary focus of Clark County Public Health during this time was to limit the spread of a deadly disease that had reached pandemic levels. Department Finance staff had been tasked with filling critical Incident Command Structure (ICS) roles to support response efforts. In addition, Public Health received numerous funding sources for pandemic response activities, each with distinct parameters. Some

funds were awarded only to be removed and replaced with other funding sources after the allocation period had begun.

The questioned costs included with the March invoice were for expenses incurred prior to April 2021 and were intended to be excluded in the April 2021 invoice; while they were manually included in the March 2021 invoice, the intent was to exclude them from the April 2021 invoice. The inclusion of these costs with the April 2021 invoice was an oversight.

Public Health has since expanded its Finance team to a more adequate size considering its body of work. A procedure change to no longer manually accrue expenditures unless it is into the final billing period of the funding source has already been implemented. We feel it is important to note the questioned costs were corrected in 2022, within the same grant period but not the same (audited) fiscal year.

Auditor's Remarks

We appreciate the County's response and commitment to resolving this finding. We thank it for its cooperation and assistance during the audit. We will review the corrective action taken during our next regular audit.

Applicable Laws and Regulations

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303 Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, Subpart E, Cost Principles, establishes requirements for determining allowable costs and supporting costs allocated to federal programs.

Title 2 CFR Part 200, Uniform Guidance, section 305, Payment, establishes requirements for the method of reimbursement and disbursement of Federal funds by non-Federal entities.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Clark County January 1, 2021 through December 31, 2021

2021-002 The County's internal controls were inadequate for ensuring compliance with federal requirements for suspension and debarment.

CFDA Number and Title:	93.323 – COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Federal Grantor Name:	U.S. Department of Health and Human Services
Federal Award/Contract Number:	N/A
Pass-through Entity Name:	Washington State Department of Health
Pass-through Award/Contract Number:	NU50CK000515
Questioned Cost Amount:	\$0

Description of Condition

During fiscal year 2021, the County spent \$7,710,237 in federal funding for the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program. The program's objective is to protect public health and safety by enhancing public health agencies' capacity to effectively detect, respond, prevent and control known and emerging infectious diseases.

Federal regulations require recipients to establish and maintain internal controls that ensure compliance with program requirements. These controls include understanding program requirements and monitoring the effectiveness of established controls.

Federal requirements prohibit recipients from contracting with or purchasing from parties suspended or debarred from doing business with the federal government. Whenever the County enters into contracts or purchases goods or services that it expects to equal or exceed \$25,000, paid all or in part with federal funds, it must verify the contractor has not been suspended, debarred, or otherwise excluded. The

County can verify a contractor's status by checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration and available at SAM.gov, obtaining a written certification from the contractor, or inserting a clause into the contract that states the contractor is not suspended or debarred. The County must perform this verification before entering into the contract or paying the contractor more than \$25,000, and it must keep documentation demonstrating compliance with this federal requirement.

The County has established controls for verifying suspension and debarment before entering into new contracts or purchases of \$25,000 paid all or in part with federal funds. However, these controls were ineffective for ensuring the County had verified two of the four contractors we tested were not suspended or debarred from participating in federal programs.

We consider this internal control deficiency to be a material weakness, which lead to material noncompliance.

The issue was not reported as a finding in the prior audit.

Cause of Condition

It is the County's practice to include a clause in contracts that are \$25,000 or greater that states the contractors are not suspended or debarred. Management and staff did not anticipate that the two contracts not verified for suspension and debarment requirements would exceed \$25,000. The County did not have an effective process to ensure staff verified the contractors' suspension and debarment status when one of the three verification processes were completed when these contracts were increased.

Effect of Condition and Questioned Costs

The County did not obtain written certifications, insert a clause into the contracts, or check SAM.gov to verify two contractors were not suspended or debarred.

Without this verification, the County increases its risk of providing federal funds to contractors that are excluded from participating in federal programs. Any payments the County made to an ineligible party would be unallowable, and the federal grantor could potentially recover them.

The County identified that it did not perform this verification, and staff subsequently checked SAM.gov to determine the contractors were not suspended or debarred. Therefore, we are not questioning costs for these payments.

Recommendation

We recommend the County improve its internal controls to ensure contractors paid \$25,000 or more, all in part with federal funds, are not suspended or debarred before entering into contracts with them.

County's Response

Clark County thanks the Washington State Auditor's Office for their efforts throughout the audit process. The County acknowledges this finding.

The primary focus of Clark County Public Health during this time was to limit the spread of a deadly disease that had reached pandemic levels. Department Finance staff had been tasked with filling critical Incident Command Structure (ICS) roles to support response efforts.

While Public Health staff are trained to respond to emergencies, it was clear contracted resources to supplement Department staff to respond to the COVID-19 pandemic would be necessary. While Public Health's boilerplate contract language includes a self-attestation requiring contractors attest they are neither suspended nor debarred, in these cases, due to the urgency of responding to the global pandemic, the contractor's boilerplate contract was utilized. The initial contracts entered into were for less than the \$25,000 threshold; internal protocols to confirm the contractors were not suspended or debarred once the contracts were amended to beyond the \$25,000 threshold were inadvertently missed. We feel it is important to note that neither contractor was neither suspended nor debarred from receiving Federal funds and the check was performed following a routine audit of contract files identified the inadvertent issue in the contractor file.

Clark County Public Health staff will ensure future contracts include the self-attestation requiring contractors attest they are neither suspended nor debarred.

Auditor's Remarks

We appreciate the County's response and commitment to resolving this finding. We thank it for its cooperation and assistance during the audit. We will review the corrective action taken during our next regular audit.

Applicable Laws and Regulations

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

(Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 180, OMB *Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)* establishes nonprocurement debarment and suspension regulations, implementing Executive Orders 12549 and 12689.

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Clark County January 1, 2021 through December 31, 2021

Board of County Councilors
Clark County
Vancouver, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of Clark County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 29, 2022.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

June 29, 2022 except for our report on the Schedule of Expenditures of Federal Awards, for which the date is September 20, 2022

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Clark County January 1, 2021 through December 31, 2021

Board of County Councilors
Clark County
Vancouver, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Qualified and Unmodified Opinions

We have audited the compliance of Clark County, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Qualified Opinion on 93.268 - Immunization Cooperative Agreements

In our opinion, except for the noncompliance described below, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on 93.268 – Immunization Cooperative Agreements for the year ended December 31, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2021.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on 93.268 - Immunization Cooperative Agreements

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding 93.268 Immunization Cooperative Agreements as associated finding number 2021-001 for Activities Allowed, Allowable Costs/Cost Principles, and Cash Management. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there

is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures also disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Finding 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

County's Response to Finding

The County's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. Our audit was not designed for the purpose

of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Findings 2021-001 and 2021-002 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

County's Response to Findings

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, sweeping initial "P".

Pat McCarthy, State Auditor

Olympia, WA

September 20, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Clark County January 1, 2021 through December 31, 2021

Board of County Councilors
Clark County
Vancouver, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of Clark County, as of year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of Clark County, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, County Roads, Community Service Grants, Campus Development and American Rescue Plan funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters of Emphasis

As discussed in Note 23 to the financial statements, in 2021, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed;

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This supplementary information is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

June 29, 2022 except for our report on the Schedule of Expenditures of Federal Awards, for which the date is September 20, 2022

Clark County
January 1, 2021 through December 31, 2021

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2021

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2021

Statement of Activities – 2021

Governmental Funds Balance Sheet – 2021

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position – 2021

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – 2021

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities – 2021

General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – 2021

County Roads – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – 2021

Community Service Grants – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – 2021

Campus Development – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – 2021

American Rescue Plan – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – 2021

Statement of Net Position – Proprietary Funds – 2021

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds – 2021

Statement of Cash Flows – Proprietary Funds – 2021

Statement of Fiduciary Net Position – Fiduciary Funds – 2021

Statement of Changes in Fiduciary Net Position – Fiduciary Funds – 2021

Notes to Financial Statements – 2021

REQUIRED SUPPLEMENTARY INFORMATION

Other Postemployment Benefits – PERS, PSERS, LEOFF II – 2021

Other Postemployment Benefits – LEOFF 1 – 2021

Schedule of Proportionate Share of the Net Pension Liability (Asset) – PERS 1,
PERS 2/3, PSERS, LEOFF 1, LEOFF 2 – 2021

Schedule of Employer Contributions – PERS 1, PERS 2/3, PSERS, LEOFF 2 – 2021

Notes to Required Supplemental Information – Pension – 2021

Modified Approach for Reporting Clark County’s Infrastructure Capital Assets – 2021

Notes to Required Supplementary Information – Modified Approach – 2021

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2021

Notes to the Schedule of Expenditures of Federal Awards – 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Clark County's discussion and analysis provides a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information in the letter of transmittal, which can be found preceding this narrative, and with the County's financial statements and notes to the financial statements which follow this discussion.

FINANCIAL HIGHLIGHTS

- Clark County's total assets and deferred outflows, combined, exceeded its total liabilities and deferred inflows, combined, at December 31, 2021 by \$1.7 billion (a \$127.5 million increase over December 31, 2020).
- Total net position of the County is comprised of the following:
 - 1) Net investment in capital assets of \$1.4 billion includes all capital assets, net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets.
 - 2) Restricted net position of \$300.1 million represents the portion restricted by constraints imposed from outside the County, such as debt covenants, grants and laws.
 - 3) An unrestricted net position of \$21.6 million is reported in the 2021 government-wide financial statements, driven largely by the accounting of pension and OPEB liabilities as required by Governmental Accounting Standards Board (GASB) Statement 68 (implemented in the year 2015) and GASB Statement 75 (implemented in year 2018), respectively.
- For the year ended December 31, 2021, Clark County reported a \$127.5 million increase in net position (including the posted prior period adjustment), compared to a \$125.9 million increase in net position for 2020. Details of contributing factors to the change are included later within this analysis.
- The General Fund's total fund balance decreased, from \$60.5 million in 2020 to \$57.3 million in 2021, for an annual decrease of (5.3)%. Details of contributing factors to the change are included later within this analysis.
- Clark County's total long term liabilities are \$148.0 million at December 31, 2021 (includes \$33.6 million in pension and OPEB liabilities), down from \$175.5 million in 2020 (includes \$59.1 million in pension and OPEB liabilities). See Note 11 in the notes to the financial statements for more detailed information about liabilities.
- Remaining capacity for non-voted debt was \$1.2 billion at year-end.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Clark County's basic financial statements, which include three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other required supplementary information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with an overview of Clark County's finances in a manner similar to private-sector business. The statements distinguish functions of Clark County that are principally supported by taxes and intergovernmental revenues ("governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges ("business-type activities"). Governmental activities include services provided to the public, such as law enforcement and public safety; the court systems; legal prosecution and indigent defense; jails and corrections; road construction and maintenance; community planning and development; parks and open space preservation; public health; and care and welfare of the disadvantaged and mentally ill. Other general government services provided include elections, property assessment, tax collection, and the issuance of permits and licenses. Business-type activities of Clark County include storm water management, sanitary sewer treatment, solid waste, and a golf course.

The **statement of net position** presents information on all of the County's assets, deferred outflows, liabilities, deferred inflows and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **statement of activities** presents information showing how the County's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. As a result, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods, such as revenues pertaining to uncollected taxes, unpaid vendor invoices, and employee earned but not used vacation and sick leave. This statement separates program income (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program). By separating program revenue from general revenue, users can identify the extent to which each program relies on taxes for funding. Certain administrative costs or indirect costs are allocated to the various programs, but are eliminated from the direct program costs for comparative purposes.

Both of the government-wide financial statements have separate columns for governmental activities, business-type activities, and a discretely presented component unit.

Governmental activities – Governmental activities are primarily supported by taxes and intergovernmental revenues (generally grants). Most basic services fall into this category, including general government; public safety; physical environment; transportation; economic environment; social services; culture and recreation; and debt service. Also included within the governmental activities are the operations of five blended component units: Industrial Revenue Bond Corporation, Fairgrounds Site Management Group (Event Center Fund), Emergency Medical Services District 1, Emergency Medical Services District 2, and the Metropolitan Parks District. Although legally separate from the County, these component units are blended with the primary government (Clark County) because of their governance relationship with the County and fiscal dependency. These five entities are reflected in the nonmajor combining special revenue fund statements. Further information regarding these blended component units is found in the *Summary of Significant Accounting Policies* beginning on the first page of *Notes to Financial Statements*.

Business-type activities - Business-type activities are intended to recover all or a significant portion of their costs through user fees and charges to external users. These include the storm water management, sewer treatment, solid waste, and a golf course.

Presentation of total assets and total liabilities between the government-wide statements and fund statements will differ slightly because the "internal balances" are combined into a single line in the asset section on the government-wide statement.

Discretely presented component unit - The government-wide financial statements include not only Clark County (the primary government) but also a legally separate Clark County Public Facilities District for which the County is financially accountable. Financial information for this discretely presented component unit is reported in a column separate from the financial information for the County. A description of this component unit can be found in note 1 of the *Notes to Financial Statements*.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of the funds of Clark County can be divided into three categories: **governmental** funds, **proprietary** funds, and **fiduciary** funds.

Governmental funds are used to account for most of a government's tax-supported activities and to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements' use of accrual accounting, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at year end. Such information is useful in evaluating a government's near-term financing requirements in comparison to resources available.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This gives readers a better understanding of the long-term impact of the government's financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the governmental activities column in the government-wide statements, in order to facilitate this comparison.

The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances present separate columns of financial data for the General Fund, County Roads Fund, Community Services Grants Fund, Campus Development Fund, and the Development Impact Fees Fund which are considered major funds for financial reporting purposes. The governmental fund financial statements can be found immediately following the government-wide financial statements. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in combining statements, outside of the basic financial statements (following the required supplementary information section of this report).

The County maintains budgetary controls with an annual appropriated budget to ensure compliance with legal provisions. Budgets for governmental funds are established in accordance with state law, and are adopted on a fund level, except for the General Fund, which is adopted on a department level. A budgetary comparison of revenues, expenditures, and changes in fund balances is provided for the General Fund, all special revenue funds, general obligation bond fund and all capital project funds. Major fund budgetary variance statements are included with the basic financial statements, while nonmajor fund budget variance schedules follow the combining fund statements. Budgetary variances for the General Fund are discussed in more detail later in this section.

Proprietary funds account for a government's business type activities, where all or part of the costs of activities are supported by fees and charges paid directly by those who benefit from the activities. Proprietary funds provide the same type of information as government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. Proprietary fund statements follow governmental fund statements in this report. The County maintains two types of proprietary funds:

Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds account for the County's solid waste, storm water, golf course and sewer operations. The Clean Water Fund is considered a major fund for financial reporting purposes. The County reports three nonmajor enterprise funds: the Sanitary Sewer Fund, Solid Waste Fund and the Tri-Mountain Golf Course O&M Fund.

Internal service funds report activities that provide services to the County's other programs and activities on a cost reimbursement basis. The County uses internal service funds to account for vehicle fleet, election services, insurance reserves, self-insured medical insurance, equipment replacement reserves, and various other administrative services. The revenues and expenses of the internal service funds that are duplicated in other funds through allocations are eliminated in the government-wide statements, with the remaining balances included in the governmental activities column. All internal service funds are aggregated in a single column in the basic proprietary fund financial statements. Individual fund data can be found in the combining statements.

Fiduciary funds are used to account for resources that are held by a government as a trustee or agent for parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Clark County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County has three types of fiduciary funds: 1) Investment Trust Funds (external portion of investment pools and individual investment accounts that are held in a trust as defined by GASB 84 - i.e. belong to other jurisdictions), 2) Private Purpose Trust Funds (fiduciary activities that are not required to be reported in pension, OPEB, or other employee benefit trust funds or investment trust funds that meets the criterial of GASB 84 - i.e. trust arrangements where the principal and interest benefit those outside of the County), and 3) Custodial Funds (fiduciary activities that are not required by GASB 84 to be reported in the fiduciary fund types 1) through 2) above - i.e. held by Clark County in its custodial role until these non-trust fund monies are distributed to the private parties, organizations, or government agencies to which they belong).

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

GOVERNMENT- WIDE FINANCIAL ANALYSIS

Analysis of Net Position

Net position may serve over time as a useful indicator of a government's financial position. Clark County's combined net position (governmental and business-type activities) was \$1.7 billion at the end of 2021 (a \$127.5 million increase from 2020).

The bulk of the County's net position is comprised of investments in capital assets, while most of the rest is restricted for culture and recreation, economic environment, transportation and social services activities.

The County has an unrestricted net position of \$21.6 million at the end of 2021. Of the County's total net position, 81.3% is net investment in capital assets, 17.4% is subject to external restrictions by outside parties, and the unrestricted amount represents 1.3% of the total net position. Unrestricted net position is positive at the end of 2021, a decrease of \$(33.7) million over 2020. This decrease is due in part to one-time transfers made from the General fund to internal service funds for General Liability (\$10.0 million), Equipment Rental and Revolving (\$10.0 million), and Major Maintenance (\$3.1 million). Pension and OPEB liabilities are a major part of the County's total liabilities. In 2021, these liabilities combined stood at \$33.6 million, a decrease of \$(25.4) million from 2020. The structure and the management of the County's pension and OPEB plans are described in detail in note 13 and note 15.

The condensed financial information that follows is derived from the government-wide Statement of Net Position and reflects the County's net position in 2021 compared with 2020.

Clark County Net Position

	Governmental Activities		Business-Type Activities		Total		% of PY
	2021	2020	2021	2020	2021	2020	
Current & other assets	\$ 573,015,635	\$ 347,376,630	\$ 23,001,644	\$ 18,963,554	\$ 596,017,279	\$ 366,340,184	162.7%
Capital assets (net of depreciation)	1,350,983,631	1,325,661,427	120,459,348	118,690,760	1,471,442,979	1,444,352,187	101.9%
Total assets	1,923,999,266	1,673,038,057	143,460,992	137,654,314	2,067,460,258	1,810,692,371	114.2%
Total deferred outflows of resources	16,001,924	17,027,827	280,496	350,614	16,282,420	17,378,441	93.7%
Long term liabilities	146,648,748	172,886,193	1,361,615	2,635,328	148,010,363	175,521,521	84.3%
Other liabilities	89,201,478	41,055,461	1,158,687	866,601	90,360,165	41,922,062	215.5%
Total liabilities	235,850,226	213,941,654	2,520,302	3,501,929	238,370,528	217,443,583	109.6%
Total deferred inflows of resources	118,593,469	13,385,631	2,402,522	397,874	120,995,991	13,783,505	877.8%
Net position:							
Net investment in capital assets	1,282,219,613	1,241,783,397	120,459,347	118,690,760	1,402,678,960	1,360,474,157	103.1%
Restricted	297,841,434	181,110,718	2,253,941	-	300,095,375	181,110,718	165.7%
Unrestricted	5,496,448	39,844,484	16,105,376	15,414,365	21,601,824	55,258,849	39.1%
Total net position	\$ 1,585,557,495	\$ 1,462,738,599	\$ 138,818,664	\$ 134,105,125	\$ 1,724,376,159	\$ 1,596,843,724	108.0%

Total liabilities increased \$20.9 million in 2021. Other liabilities increased \$48.4 million while long-term liabilities decreased \$(27.5) million, largely to paying off liabilities as scheduled as well as a change from pension liabilities to pension assets. We also noted a decrease in pension and OPEB liabilities totaling \$(25.4) million. The County's long term debt is explained in more detail in Note 10 and Note 11. Deferred outflows decreased \$(1.1) million.

Total assets increased \$256.8 million in 2021 from 2020, primarily because of capital asset increase of \$27.1 million and cash position increased of \$107.6 million due to deposits for federal support for recovery assistance from the COVID-19 pandemic as well as a change in Net Pension asset. Deferred inflows increased \$107.2 million, due to the increase in amount related to pensions of \$85.9 million and booking amount related to lessor leases of \$21.3 million for the first time as a result of implementing GASB 87.

Governmental activities net position increased \$122.7 million in 2021, from 2020. Because governmental activities make up 91.9% of the total primary government, many of the drivers of the changes in assets and liabilities are the same as the total primary government.

Governmental total assets increased \$251.0 million in 2021. Capital assets increased \$25.3 million and cash and investments increased \$106.1 million from 2020, primarily due to funding received for the COVID-19 relief. Deferred outflow of resources is a consumption of net position which is applicable to a future period, while a deferred inflow of resources is an acquisition of net position which is applicable to a future reporting period. In 2021, Clark County's Governmental Activities deferred outflows decreased a net of \$(1.0) million. Deferred inflows increased \$105.2 million due to pensions for \$83.9 million and recording lessor financing leases of \$21.3 million.

Governmental total liabilities increased \$21.9 million. Long term liabilities decreased \$(26.2) million, primarily due to the payments on long term debt and the change in Pension Liabilities. Governmental activities had an unrestricted net position of \$5.5 million in 2021, compared to a unrestricted net position of \$39.8 million in 2020.

Business-type net position increased \$4.7 million in 2021 over 2020. Net position for business type activities is entirely invested in capital assets or is otherwise unrestricted. Net investment in capital assets in business activities increased \$1.8 million or 1.5% while the unrestricted portion of the net position increased from \$15.4 million to \$16.1 million. In 2020, 11.5% of the total net position for business-type activities was unrestricted, while at December 31, 2021, 11.6% was unrestricted.

Analysis of Changes in Net Position

The County's total change in net position (includes prior year adjustments) related to 2021 activities was an increase of \$127.5 million compared to an increase of \$125.9 million in 2020. The condensed financial information that follows is derived from the Government-Wide Statement of Activities and reflects how the County's 2021 changes in net position compare with 2020.

Clark County Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2,020	2021	2020
Program Revenues						
Charges for services	\$ 93,863,591	\$ 91,919,412	\$ 17,579,412	\$ 15,809,820	\$ 111,443,003	\$ 107,729,232
Operating grants and contributions	109,191,586	109,904,116	308,893	553,360	109,500,479	110,457,476
Capital grants and contributions	21,238,656	27,478,463	1,757,228	5,903,328	22,995,884	33,381,791
General Revenues						
Taxes	215,762,520	195,064,416	-	-	215,762,520	195,064,416
Gain on sale of assets	783,755	7,196,591	(221,042)	619	562,713	7,197,210
Interest earnings	4,530,327	7,262,320	(63,824)	384,406	4,466,503	7,646,726
Insurance Recoveries	-	-	-	-	-	-
Total revenues	445,370,435	438,825,318	19,360,667	22,651,533	464,731,102	461,476,851
Program Expenses*:						
General government	75,811,871	89,874,775	-	-	75,811,871	89,874,775
Public safety	74,612,119	85,049,475	-	-	74,612,119	85,049,475
Transportation	38,338,790	41,812,087	-	-	38,338,790	41,812,087
Natural and Economic environment	72,579,195	48,520,121	-	-	72,579,195	48,520,121
Social Services	42,490,344	33,013,272	-	-	42,490,344	33,013,272
Culture & recreation	14,122,651	20,610,968	-	-	14,122,651	20,610,968
Solid Waste	-	-	2,071,680	2,435,457	2,071,680	2,435,457
Stormwater	-	-	6,160,603	6,684,648	6,160,603	6,684,648
Golf Course	-	-	1,776,776	1,533,822	1,776,776	1,533,822
Sewer	-	-	4,268,074	4,217,859	4,268,074	4,217,859
Interest on long term debt	2,685,165	2,712,286	-	-	2,685,165	2,712,286
Total expenses	320,640,135	321,592,984	14,277,133	14,871,786	334,917,268	336,464,770
Excess (deficiency) of revenues over (under) expenses	124,730,300	117,232,334	5,083,534	7,779,747	129,813,834	125,012,081
Transfers	495,000	367,425	(495,000)	(367,425)	-	-
Change in Net Position	125,225,300	117,599,759	4,588,534	7,412,322	129,813,834	125,012,081
Net position as of January 1	1,462,738,599	1,344,299,845	134,105,125	126,619,195	1,596,843,724	1,470,919,040
Prior period adjustments	(2,406,404)	838,995	125,005	73,608	(2,281,399)	912,603
Change in accounting principle	-	-	-	-	-	-
Net position as of December 31	\$ 1,585,557,495	\$ 1,462,738,599	\$ 138,818,664	\$ 134,105,125	\$ 1,724,376,159	\$ 1,596,843,724

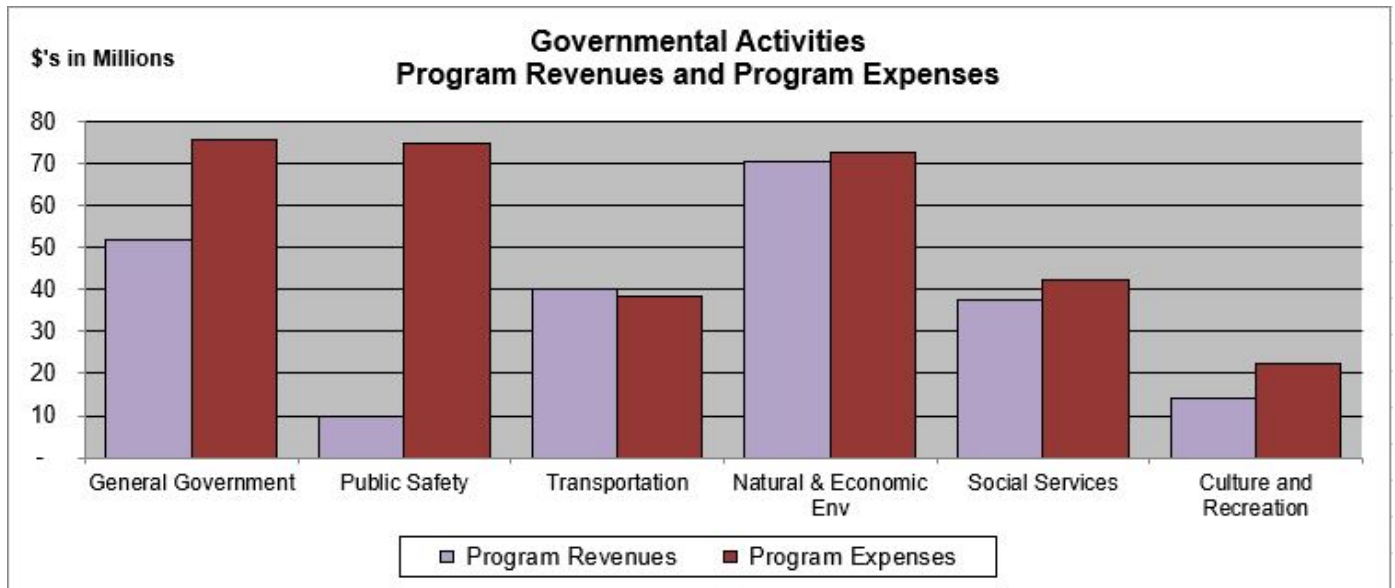
*Total program expenses include indirect expense allocation

Total revenues increased \$3.3 million in 2021 from 2020, with governmental activities increasing \$6.5 million and business-type activities decreasing \$(3.3) million. Tax revenue increased \$20.7 million in 2021 from 2020, and accounted for 46.4% of total revenues in 2021. Property Tax revenue increased \$3.9 million in 2021, while sales/use and excise/other taxes, combined, increased \$16.8 million. Charges for services increased \$3.7 million in 2021 while grants and contributions decreased \$(11.3) million. The decrease in grants and contributions is due to the funding received for the addressing the COVID 19 pandemic. In 2021, Governmental activities provided \$445.4 million, or 95.8%, of revenues while business-type activities provided \$19.4 million, or 4.2%.

The County's expenses cover a range of services, the largest two of which were for general government and public safety (combined account for 44.9%), followed by transportation (11.4%), social services (12.7%), culture and recreation (4.2%) and economic environment (21.7%). Utilities, golf course and interest expense combined are (5.2%). Total expenses for the year were \$334.9 million, decreasing \$(1.5) million from 2020. Governmental activities accounted for 95.7% of total County expenses. Governmental activity expenses decreased \$(1.0) million in 2021 (over 2020), while business type activity expenses decreased \$(0.6) million.

Governmental activities – General government function expenses decreased by \$(14.1) million, public safety decreased \$(10.4) million, and transportation expenses decreased by \$(3.5) million, compared to prior year expenses. The decreases in both general government and public safety are a result of the response to Covid 19 pandemic where there have been delays in filling vacant positions. Natural and Economic environment increased \$24.1 million, social services increased \$9.5 million, culture and recreation decreased \$(6.5) million and interest on long-term debt remained the same.

The following graph illustrates 2021 governmental activities program revenues and expenses by function.



Business-type activities – Business-type activities revenue decreased \$(2.6) million to \$19.4 million in 2021 when compared to 2020. Contributions and grants decreased \$(4.1) million. Charges for services increased \$1.8 million.

Overall expenses for the year decreased \$(0.6) million to \$14.3 million. Revenues, expenses, and changes in fund balance are discussed in more depth in the **Proprietary Funds Analysis** section of this management’s discussion and analysis.

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

Clark County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following is a discussion of the financial highlights of the County’s funds.

Governmental Funds – Fund Balance Analysis

The focus of Clark County’s governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Unassigned fund balance serves as a useful measure of the County’s net resources available for spending at the end of the fiscal year. The General Fund, County Roads Fund, Community Services Grants Fund,

Campus Development Fund, American Rescue Plan Fund and Development Impact Fee Fund are the major governmental funds in 2021.

As of December 31, 2021, the County's governmental funds reported combined ending fund balances of \$289.5 million, a \$34.4 million increase from 2020. Total governmental assets increased \$104.6 million this year. There is a \$80.3 million increase in cash, deposits and investments due to cash received for the COVID-19 pandemic and a \$(1.3) million decrease in accounts receivable, amounts due from other governments and due from other funds, combined. Lessor financing leases are reported for the first time in the amount of \$21.6 million. Advances due from other funds decreased \$1.3 million. Changes are discussed below, within the specific funds and fund type.

Total governmental liabilities and deferred inflows of resources, combined, are \$126.3 million in 2021, compared to \$56.0 million in 2020, a increase of \$70.3 million. Among the most significant changes are a decrease of \$47 million in unearned revenue due to the American Rescue Plan Act.

The **General Fund's** total fund balance decreased \$(3.2) million, from \$60.5 million in 2020 to \$57.3 million in 2021. In 2021, \$34.2 million was transferred out to other funds, compared to \$17.7 million in 2020. There was a \$14.4 million increase of unassigned fund balance in the General Fund at the end of 2021.

Total assets increased \$0.4 million in 2021, over 2020. Cash and investments and deposits in trust, combined, at the end of the year were \$(3.2) million lower than at the end of 2020. Due from other funds increased \$2.9 million in 2021.

General Fund liabilities and deferred inflows of resources, combined, are \$25.3 million at December 31, 2021, compared to \$21.7 million in 2020, an increase of \$3.6 million. Accounts payable and accrued liabilities, combined, decreased \$(0.9) million, due to other funds increased \$1.7 million in 2021, compared to 2020, and deferred inflows increased \$1.2 million. Deferred inflows due to unavailable revenue (other/accounts receivable and courts) increased \$1.4 million.

The **County Roads** major fund total fund balance increased \$8.9 million, from \$19.3 million in 2020 to \$28.2 million in 2021. Total assets increased \$8.2 million. Cash, cash equivalents and pooled investments increased by \$8.6 million and due from other governments increased by \$0.3 million. Total liabilities and deferred inflows decreased \$(0.7) million from \$4.3 million in 2020 to \$3.6 million in 2021.

The **Community Services Grants** major fund reported a \$2.7 million increase in fund balance at the end of 2021. Total assets increased by \$9.7 million, namely cash, cash equivalents and pooled investments, while total liabilities increased \$7.0 million, split between accounts payable and due to other funds.

The **Campus Development** fund is a new major fund reported for 2021. This fund collects rental revenue, makes rent payments and makes debt payment for Clark County. In 2021, the County implemented GASB 87 and Campus Development holds many lease agreements. In 2021, the total liabilities and deferred inflows of resources increased by \$14.3 million, primarily due to the \$14.3 million in unavailable accounts receivable - leases balance. The fund also has

total assets of \$17.0 million, the largest asset held by the fund is \$14.9 million in lease receivable.

The **American Rescue Plan** is a new major fund reported for 2021. This fund is used for the collection and the disbursement of a federal grant the County received for recovery from the COVID 19 pandemic. The fund received a funding that is set aside for grant expenditures, and currently has \$42.1 million in unspent grant funding. At the end of the year the fund had a small fund balance due to most of the liabilities and assets being fairly equal. In 2021, total assets were \$46.2 million and total liabilities were \$46.1 million. The County is required to spend the grant funding by December 31, 2026 and obligate all funds by December 31, 2024.

The **Development Impact Fees** fund collects park and traffic impact fees for the park acquisition and development and traffic projects in the County. The cash increased \$9.9 million in 2021 compared to 2020. There are no major liabilities in this fund. The fund balance increased from \$34.3 million in 2020 to \$43.5 million in 2021.

Non-major governmental funds combined increased total fund balance by \$15.9 million from December 31, 2020 to December 31, 2021. Total assets increased \$15.1 million, namely cash and investments of \$11.9 million. Total liabilities decreased \$6.8 million. The amounts above are normalized to take into account the changes of major funds reported in 2021.

Fund balance: Approximately 75.0% of the governmental fund balance (\$217.0 million) is non-spendable or restricted by constraints outside county government. An additional 9.9%, (\$28.8 million), is committed or assigned for specific purposes, such as technology improvements, housing, mental health, public safety programs, and compensated absences. The remaining 15.1%, (\$43.8 million), is available for spending at the County's discretion.

Governmental Funds – Revenue, Expenditure, and Change in Fund Balance Analysis-

Governmental fund revenues total \$426.3 million for 2021, compared to \$407.4 million in 2020 (up \$18.9 million, a 4.6% increase). Tax revenue increased \$20.7 million in 2021 and accounted for 50.7% of total governmental revenue collected in 2021. Intergovernmental revenue (predominately grants) decreased \$(0.4) million in 2021 from 2020 and accounted for 26.9% of total governmental revenue in 2021. Charges for services and licenses and permit revenue, combined, account for 19.4% of total revenues, and increased by \$1.9 million in 2021. Interest earnings decreased \$(2.2) million in 2021.

Governmental funds expenditures were \$366.3 million in 2021, an increase of \$18.0 million from 2020. Current expenditures account for 92.9% of total expenditures, while capital outlay accounts for 4.1% and debt service accounts for 3.0% of total expenditures. Details regarding the changes in revenues and expenditures from 2020 to 2021 follow.

The **General Fund** is the chief operating fund for the County. General Fund revenues decreased \$(22.8) million from 2020 to 2021, while expenditures decreased \$(4.5) million during the same period.

The largest decreases in General Fund revenue in 2021 came from a \$(30.8) million decrease in intergovernmental revenue, specifically grants in response to the COVID-19 pandemic. The County created a new fund in 2021 to monitor the activity of the COVID-19 pandemic response. The General fund also had a \$8.3 million increase in sales tax revenues and a \$2.4 million

increase in property tax revenue. The increase in sales tax received is due to residences for online shopping and the tax being collected more than in prior years.

For current expenditure reporting in 2021, a functional expense category is assigned to each fund-department combination, resulting in some variation from prior year reporting within the General Fund. General government current expenditures decreased \$(7.7) million, public safety increased \$2.5 million, and culture and recreation current expenditures increased \$0.1 million. Natural and economic environments decreased \$(0.1) million, with minor changes in other functions and capital outlay.

County Roads Fund, a major special revenue fund, is used to account for the maintenance and operations of the public roads and bridges of the County. At the end of the 2021, the net change in fund balance was an increase of \$8.9 million.

Total revenue decreased \$(0.9) million overall from 2020 to 2021. Property tax recorded an increase of \$1.3 million, while decreases included intergovernmental revenue (grants) of \$(3.6) million. Charges for services increased \$1.6 million from 2020 to 2021. Current expenditures increased from 2020 by \$1.1 million, while capital outlay for road construction decreased \$(3.4) million. Transfers in reflects capital contributions from other funds including traffic impact fees. This increased \$1.7 million in 2021 versus 2020.

Community Services Grants Fund is a major special revenue fund that receives the majority of its funding through state and federal grants for various housing, weatherization, and youth programs. The net change in fund balance for 2021 was an increase of \$2.7 million.

Revenues overall increased from \$28.6 million in 2020 to \$55.9 million in 2021. Charges for services provided to clients increased by \$0.3 million in 2021. Intergovernmental revenues (grants) increased \$27.2 million and represent 87.6% of total revenue. Expenditures increased \$29.1 million, due to the Covid 19 pandemic response. Transfers in represents financial support from the General Fund, which increased \$0.9 million in 2021.

Campus Development is a major special revenue fund that receives funding for campus development of Clark County. Due to the implementation of GASB 87, this fund recognized all of the lease liabilities and receiveable activity in this fund that caused assets and liabilities to increase requiring the County to report this fund as a Major fund. The total revenue increased \$0.2 million in 2021, compared to 2020. Other revenue, primarily rental revenue accounts for 64.4% of total revenue for this fund, in 2020 other revenue presented 99.0% of all revenue received for the campus development fund. In addition, the expenses for the fund also increased \$0.1 million in 2021. The fund balance increased \$0.7 million in 2021.

American Rescue Plan is a major special revenue fund that received the federal grant for the American Rescue Plan that was approved by the federal government. The fund balance for 2021 was small due to the revenues and expenses aligned. Revenues for 2021 were \$5.4 million and expenditures for 2021 were \$5.3 million.

Development Impact Fees is a major capital projects fund that receives traffic and park impact fees for parks acquisition and development and road improvements. This fund had an decrease in revenues of \$(1.2) million in 2021. The fund reported an increase in total expenses including transfers out of \$1.0 million in 2021. Fund balance increased \$9.2 million in 2021, due to the increase of revenue over expenses for the past few years.

Nonmajor Governmental Funds in the aggregate are discussed below. For 2021, Real Estate Excise Tax fund and the Health Department special revenue fund are being reported as nonmajor funds again after being reported as major funds last year. Campus Development is being reported as a major fund for 2021, in prior years this was reported as a nonmajor fund. The comparison below normalizes the data between the years.

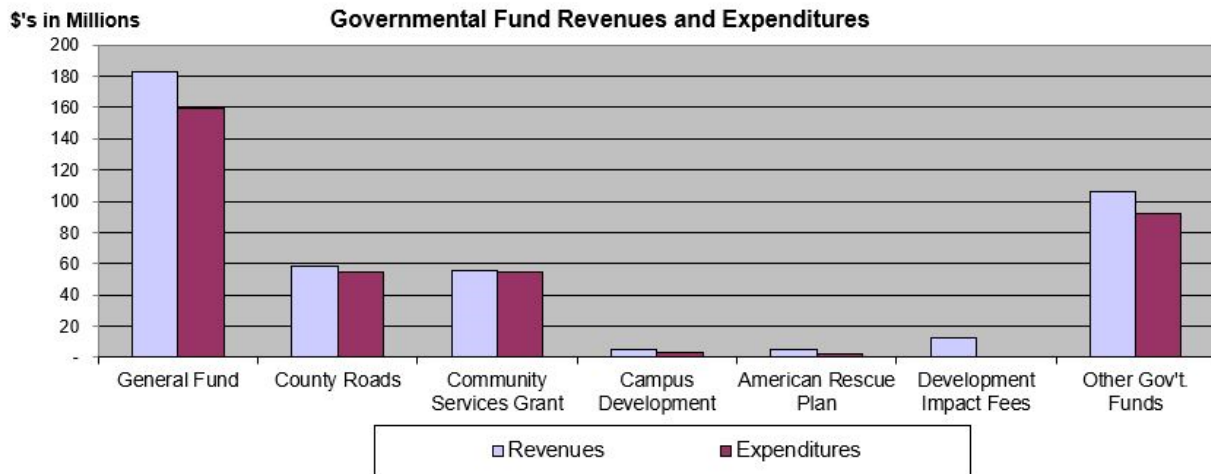
Combined, the net change in fund balances is a \$15.9 million increase in 2021 from 2020.

Total non-major governmental funds revenue increased \$10.9 million over 2021. Taxes increased \$14.9 million. Intergovernmental revenue increased by \$1.4 million. Charges for services increased \$0.8 million. Interest earnings decreased \$(2.0) million. Other revenues increased by \$1.0 million.

Total non-major governmental funds expenditures increased by \$6.9 million. Social services expenditure increased \$2.3 million and culture & recreation decreased \$(4.4) million.

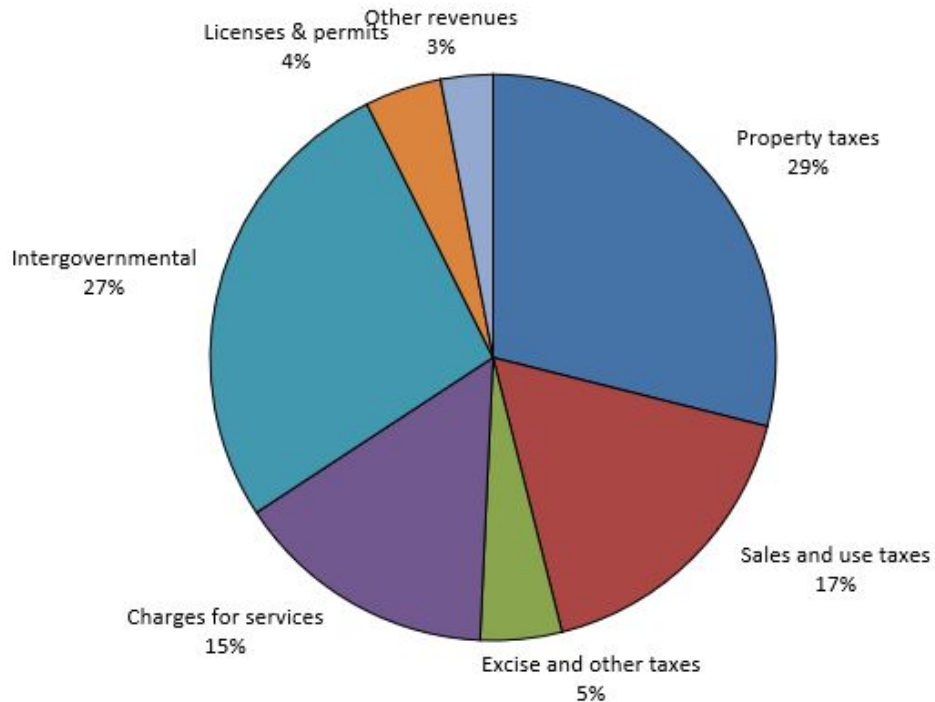
Total other financing sources decreased \$(18.7) million in 2021 over 2020. There were no debt proceeds in 2021.

The following chart shows the revenue and expenditure amounts for the year ended December 31, 2021 for the six major governmental funds and for all other governmental funds, combined. Revenues do not include interfund transfers in or proceeds from debt or the sale of assets and expenditures do not include interfund transfers out:



The following chart shows total governmental revenues and the percentage total for each type of revenue for the year ended December 31, 2021.

Governmental Revenues



Proprietary Funds Analysis

The County's enterprise fund financial statements provide the same type of information found in the government-wide financial statements for business-type activities, although in more detail. Internal service funds, although proprietary, are not included in the following section.

Enterprise Funds – Net Position Analysis

Clark County has four enterprise funds, one of which (Clean Water) is considered a major fund. The following table reflects the “*Enterprise Funds Statement of Net Position*” for the year ending December 31, 2021, compared to the prior year.

**Clark County Washington
Enterprise Funds - Statement of Net Position**

	Major		Non-Major		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Total current assets	\$ 11,827,638	\$ 11,535,599	\$ 8,959,826	\$ 7,857,255	\$ 20,787,464	\$ 19,392,854
Total non current assets	113,555,379	110,622,135	9,157,909	8,068,625	122,713,288	118,690,760
Total assets	125,383,017	122,157,734	18,117,735	15,925,880	143,500,752	138,083,614
Total deferred outflows of resources	135,623	162,193	144,873	188,421	280,496	350,614
Total current liabilities	423,626	552,774	798,666	792,664	1,222,292	1,345,438
Total non current liabilities	432,803	1,061,289	904,967	1,524,502	1,337,770	2,585,791
Total liabilities	856,429	1,614,063	1,703,633	2,317,166	2,560,062	3,931,229
Total deferred inflows of resources	1,163,811	184,176	1,238,711	213,698	2,402,522	397,874
Total net position	\$ 123,498,400	\$ 120,521,688	\$ 15,320,264	\$ 13,583,437	\$ 138,818,664	\$ 134,105,125

Total assets for enterprise funds increased \$5.3 million. Current assets increased \$1.4 million, non current asset increased \$4.0 million. Cash and investments increased \$1.5 million at the end of 2021 over 2020.

Total liabilities and deferred inflows, combined, increased \$0.6 million.

The **Clean Water Fund**, a major fund, accounts for operations, maintenance, and capital improvements of the County's storm water facilities. Total net position in the Clean Water Fund is \$123.5 million at the end of 2021, or an increase of \$3.0 million over 2020. Cash and investments increased slightly. Liabilities decreased by \$0.8 million. The Clean Water Fund has an unrestricted fund balance (resources available for discretionary spending) of \$9.9 million this has remained consistent from the prior year.

Enterprise Funds Revenue and Expense Analysis

The **Clean Water Fund** total operating revenues for 2021 were \$7.7 million and was fairly consistent with prior years revenue. Operating expenses were \$6.2 million, compared to \$6.7 million in 2020. Operating income for 2021 is \$1.5 million, an increase of \$0.7 million over 2020.

The following table reflects the enterprise funds revenues and expenses for the year ending December 31, 2021, compared to the prior year.

<i>Clark County Washington</i>						
Enterprise Funds - Revenues and Expenses						
	<u>Major</u>		<u>Non-Major</u>		<u>Total</u>	
	<u>Clean Water</u>					
	2021	2020	2021	2020	2021	2020
Total operating revenues	\$ 7,698,166	\$ 7,482,984	\$ 9,874,271	\$ 8,302,765	\$ 17,572,437	\$ 15,785,749
Total operating expenses	6,156,703	6,676,330	8,116,530	8,509,561	14,273,233	15,185,891
Operating income (loss)	1,541,463	806,654	1,757,741	(206,796)	3,299,204	599,858
Total non-operating revenues(expenses)	(21,979)	550,200	49,081	403,936	27,102	954,136
Income (loss) before contributions and transfers	1,519,484	1,356,854	1,806,822	197,140	3,326,306	1,553,994
Extraordinary item/special item	-	-	-	-	-	-
Capital contributions	1,757,228	5,903,328	-	-	1,757,228	5,903,328
Transfers, net	(300,000)	-	(195,000)	(45,000)	(495,000)	(45,000)
Change in net position	2,976,712	7,260,182	1,611,822	152,140	4,588,534	7,412,322
Net position, January 1	120,521,688	113,261,506	13,583,437	13,357,689	134,105,125	126,619,195
Change in accounting principle						
Prior period adjustment	-	-	125,005	73,608	125,005	73,608
Net Position January 1-restated	120,521,688	113,261,506	13,708,442	13,431,297	134,230,130	126,692,803
Net position, December 31	\$ 123,498,400	\$ 120,521,688	\$ 15,320,264	\$ 13,583,437	\$ 138,818,664	\$ 134,105,125

GENERAL FUND BUDGETARY HIGHLIGHTS

Analysis of Original versus Final 2021 Annual Budget

The County adopted an annual budget for the period January 1, 2021 through December 31, 2021. It is amended during the budget year by supplemental appropriation ordinances. RCW 36.40 allows for supplemental budget appropriations as needed throughout the year. County budget policies identify specific situations where supplemental budget requests are warranted, namely:

- An unforeseen situation which puts the safety and welfare of the citizens of Clark County at risk.
- An unforeseen situation which hinders the ability of a department or office to fulfill a statutory obligation imposed upon a department manager or elected official.
- A labor contract settlement, legal settlement, or other judgement that exceeds those amounts currently available within the current budget.
- Unforeseen revenue source that is associated with expenditures such as grants.

General Fund final budgeted revenues increased 5.7% from the original budget and appropriated expenditures increased 1.8% from the original budget.

Budgeted revenue increases reflected sales tax revenue than was higher than originally estimated. Sales tax estimates increased \$8.0 million.

Expenditure appropriations increased \$3.1 million driven largely by expenditure increases of \$2.2 million in general government, appropriated transfers out increased \$25.9 million to facilitate the transfer of assigned fund balance that was appropriated in the prior year financial statements.

The following table shows the changes between the original and the final annual General Fund budget, and the variances between the final budget and the actual revenues and expenditures through the end of the year.

Clark County Washington
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2021

	Original 2021 Budget	Final 2021 Budget	2021 Actual	Variance with Final Budget Positive/ (Negative)
Revenues:				
Taxes	\$ 117,813,824	\$ 125,813,824	\$ 128,968,767	\$ 3,154,943
Licenses & permits	3,513,571	3,513,571	3,830,794	317,223
Intergovernmental	17,392,950	18,204,361	16,111,743	(2,092,618)
Charges for services	31,986,019	32,323,352	27,988,657	(4,334,695)
Fines & forfeitures	3,388,877	3,388,877	2,739,702	(649,175)
Miscellaneous	2,954,197	3,850,636	2,766,688	(1,083,948)
Total revenues	177,049,438	187,094,621	182,406,351	(4,688,270)
Expenditures				
Current:				
General government	78,758,177	80,957,524	72,014,728	8,942,796
Public safety	81,247,966	81,912,581	79,843,518	2,069,063
Transportation	1,258,569	1,274,819	757,199	517,620
Natural & Economic env.	2,886,312	2,898,545	2,467,085	431,460
Social services	1,745,102	1,839,523	1,697,719	141,804
Culture and recreation	2,208,143	2,358,568	2,057,667	300,901
Capital outlay:	50,000	-	33,197	-
General government	-	-	-	-
Public safety	260,000	260,000	185,710	74,290
Transportation	5,580,000	5,580,000	17,792	5,562,208
Principal	-	-	56,488	(56,488)
Interest	-	-	70,721	(70,721)
Total expenditures	173,994,269	177,081,560	159,201,824	17,879,736
Excess (deficiency) of revenues over expenditures	3,055,169	10,013,061	23,204,527	13,191,466
Sale of capital assets	-	-	313,249	313,249
Transfers in	1,710,900	18,086,996	7,438,192	(10,648,804)
Transfers out	(12,484,113)	(38,390,264)	(34,170,028)	4,220,236
Total other financing sources(uses)	(10,773,213)	(20,303,268)	(26,418,587)	(6,115,319)
Net change in fund balance	(7,718,044)	(10,290,207)	(3,214,060)	7,076,147
Fund balance as of January 1	60,531,992	60,531,992	60,531,992	-
Fund balance as of December 31	\$ 52,813,948	\$ 50,241,785	\$ 57,317,932	\$ 7,076,147

General Fund Budget to Actual Comparison

Actual revenues are 2.6%, or \$4.7 million, under the final revenue budget. Expenditures at the end of the year are 89.9% of the final budget, generating expenditure savings of \$17.9 million. Significant revenue increases occurred in taxes of \$3.2 million. The expenditure savings of \$17.9 million reflected namely not filling positions (supporting savings of \$8.9 million in general governmental, \$2.1 million in public safety, and \$1.4 million elsewhere) and holding off capital outlay of \$5.6 million.

The fund balance in the General Fund including prior period adjustments decreased \$(3.2) million during 2021 to \$57.3 million.

CAPITAL ASSET, INFRASTRUCTURE, AND DEBT ADMINISTRATION

Capital Assets

Total capital asset value as of December 31, 2021 is \$1.5 billion (original cost, net of accumulated depreciation). Capital assets include land, buildings, system improvements, machinery and equipment, park facilities, road and bridge infrastructure, storm water facilities, trails, and construction in progress. Of this amount, \$888.3 million (60.4%) is infrastructure (such as roads, bridges, stormwater facilities and pathways) and \$405.9 million (27.6%) is land. Major capital asset events during the current fiscal year included the following:

- A variety of construction projects were ongoing during the year. The County spent \$12.0 million in 2021 on transportation projects. Capitalized governmental infrastructure projects totaled \$18.2 million and land was \$10.1 million. Of these amounts, \$17.2 million was contributed by developers.
- Business type additions were infrastructure of \$1.9 million and land of \$0.2 million. Stormwater facilities and land valued at \$1.7 million was contributed by developers.
- Intangible assets-software additions to capital assets totaled \$1.6 million as the County continues to replace various systems.
- Vehicles, road equipment, and trailers were added to the fleet as either replacements or new equipment, at a cost of \$1.7 million. Other governmental machinery and equipment purchases equaled \$1.2 million; total amount capitalized \$2.9 million.

The County uses the modified approach to report capital assets. Further discussion of the modified approach can be found in the notes to the financial statements. The county has maintained condition levels of the capital assets required by the modified approach there have been no significant changes to the condition level of any of the capital assets the county maintains. Additional information on the County's capital assets can be found in note 6 of the *Notes to Financial Statements*.

Infrastructure

The County has recorded the value of all infrastructure acquired from 1980 to present, and has included that value in the financial statements. The County has not reported infrastructure acquired prior to January 1, 1980. Governmental infrastructure assets were first reported in

2001, with implementation of GASB Statement 34. All infrastructure assets were depreciated until 2003, when the County first chose to use the modified approach. The modified approach was used for bridge and stormwater infrastructure from 2003 to 2016, depreciated in years 2017 and 2018, then restarted the modified approach in 2019. Roads were on the modified approach for years 2001 through 2013, depreciated in years 2014 through 2017, then restarted the modified approach in 2018. See the required supplementary information (RSI) section for modified approach data.

Most of the County's bridges were built prior to 1980, and are not included in the listing of capital asset infrastructure in the financial statements, in accordance with GASB Statement 34 reporting requirements.

The County's storm water facilities are fairly recent additions to infrastructure assets, with more than 95% of the total system being added since 1996. Stormwater facilities consist mainly of holding ponds, and are commonly earthen in construction with no moving parts or non-earthen structural layers. Some facilities include some rugged construction, generally consisting of cinder block retention walls. Stormwater facilities are intended to collect and treat stormwater prior to infiltration or entering the existing storm system and waterways. There is very little maintenance or preservation activity required for this subsystem, when compared to the investment in the subsystem.

Debt Administration

At December 31, 2021, Clark County had total bonded debt outstanding of \$58.7 million (including unamortized premiums/discounts of \$4.5 million), compared to \$64.7 million a year earlier. All bonded debt is held in governmental activities and is backed by the full faith and credit of the County. During the year, general obligation bonds were paid down by \$2.8 million. The County was upgraded to a Moody's Aa1 rating in 2016 for its limited tax general obligation debt, which was reaffirmed in early 2018. Additional information on the County's long-term debt can be found in notes 10 and 11 of the Notes to Financial Statements.

ECONOMIC OUTLOOK

Economic factors have a direct impact on County revenues and the demand for services. During 2021, the County's financial condition is in the process of recovery from economic effect of COVID-19 pandemic.

The County's main revenue sources include taxes, charges for service and intergovernmental (grant) revenues. Property taxes comprise 28.9% of total 2021 County revenues (excluding transfers, gain on sale of assets and special items). Even though property taxes tend to be stable, State and voter approved limitations to property taxes have kept the property tax increases to 1% each year, plus any new construction. The County Council approved the 1% increase in General Fund and Road Fund for the years 2017 through 2021; previously, the last year the Council took the increase was in 2012.

Sales and use tax revenues are another significant revenue source for the County (17.2% of total revenues). Retail sales in Clark County, which are heavily impacted by construction activity, increased by 17.4% in 2021 following an increase of 14.7% in 2020.

Governmental charges for services increased \$1.9 million, or 2.1% in 2021. Government-wide grants and contributions decreased \$(0.7) million, or (7.9)%.

Construction related single-family residential building permits issued by the Community Development Department decreased to 1,178 in 2021 from 1,228 in 2020. Multi-family permits in 2021 totaled 22 (404 units) compared to 53 permits (745 units) in 2020. Commercial building permits in 2021 totaled 127 compared to 64 permits in 2020. From the mid-1990's, combined residential and commercial permits generally totaled over 2,000 per year until declining in 2006.

Other factors impacting the economic condition are: The annual inflation rate (CPI-U West B/C) is 4.9% at the end of 2021, down from 1.7% (revised) in 2020. Clark County annual average unemployment rate for the year 2021 was 5.5%, down from 8.5% in 2020. By December 2021 the monthly unemployment rate had fallen to 4.0%.

Requests for Information

This financial report is designed to provide a general overview of Clark County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor's Office, Clark County, 1300 Franklin Street, P.O. Box 5000, Vancouver, WA, 98666-5000.

CLARK COUNTY, WASHINGTON
Statement of Net Position
December 31, 2021

	Primary government			Component Unit Clark County Public Facilities District
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash, cash equivalents & pooled investments	\$ 372,882,013	\$ 19,882,929	\$ 392,764,942	\$ 371,880
Deposits in trust	4,294,930	-	4,294,930	-
Net Receivables	71,293,605	829,655	72,123,260	331,040
Inventories	2,622,268	-	2,622,268	-
Prepays	4,702,027	35,119	4,737,146	-
Notes receivable	12,359,907	-	12,359,907	4,216,322
Capital assets not being depreciated:				
Land, infrastructure and construction in progress	1,179,297,081	119,052,304	1,298,349,385	-
Capital assets net of accumulated depreciation	171,686,550	1,407,044	173,093,594	-
Net pension asset	104,860,885	2,253,941	107,114,826	-
Total assets	<u>1,923,999,266</u>	<u>143,460,992</u>	<u>2,067,460,258</u>	<u>4,919,242</u>
DEFERRED OUTFLOWS OF RESOURCES				
Amounts related to refunding	2,881,136	-	2,881,136	-
Amounts related to pensions	11,603,703	258,790	11,862,493	-
Amounts related to Asset Retirement Obligations	271,723	-	271,723	-
Amounts related to OPEB	1,245,362	21,706	1,267,068	-
Total deferred outflows of resources	<u>16,001,924</u>	<u>280,496</u>	<u>16,282,420</u>	<u>-</u>
LIABILITIES				
Internal balances	(452,080)	452,080	-	-
Accounts payable and other current payables	18,811,735	456,937	19,268,672	483,528
Accrued liabilities	7,166,960	210,210	7,377,170	-
Deposits payable	6,633,181	13,989	6,647,170	-
Due to other governments	2,455,932	19,220	2,475,152	-
Unearned revenue	54,585,750	6,251	54,592,001	-
Long term liabilities:				
Other due within one year	15,993,896	23,844	16,017,740	-
Other due in more than one year	97,336,932	1,036,807	98,373,739	-
Net pension liability	8,149,775	237,672	8,387,447	-
Total OPEB Liability	25,168,145	63,292	25,231,437	-
Total liabilities	<u>235,850,226</u>	<u>2,520,302</u>	<u>238,370,528</u>	<u>483,528</u>
DEFERRED INFLOWS OF RESOURCES				
Amounts related to pensions	97,281,275	2,402,200	99,683,475	-
Amounts related to OPEB	10,846	322	11,168	-
Amounts Related to Leases	21,301,348	-	21,301,348	-
Total deferred inflows of resources	<u>118,593,469</u>	<u>2,402,522</u>	<u>120,995,991</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	1,282,219,613	120,459,347	1,402,678,960	-
Restricted for:				
Culture and recreation	57,257,308	-	57,257,308	-
Economic environment	59,838,238	-	59,838,238	-
Public Safety	2,147,355	-	2,147,355	-
Debt service- debt covenants	5,765,202	-	5,765,202	-
Transportation	31,044,037	-	31,044,037	-
Health and human services	28,460,681	-	28,460,681	-
Landfill and other remediation	6,431,713	-	6,431,713	-
General government	1,886,015	-	1,886,015	-
Workers compensation claims	150,000	-	150,000	-
Pension	104,860,885	2,253,941	107,114,826	-
Unrestricted	5,496,448	16,105,376	21,601,824	4,435,714
Total net position	<u>\$ 1,585,557,495</u>	<u>\$ 138,818,664</u>	<u>\$ 1,724,376,159</u>	<u>\$ 4,435,714</u>

See accompanying notes to the financial statements

CLARK COUNTY, WASHINGTON
Statement of Activities
For the Year Ended December 31, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component Unit	
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				Clark County Public Facilities District
						Governmental Activities	Business-Type Activities	Total		
<i>Primary Government:</i>										
<i>Governmental Activities:</i>										
General government	\$ 82,958,167	\$ (7,146,296)	\$ 32,073,356	\$ 19,775,995	\$ 110,838	\$ (23,962,520)	\$ -	\$ (23,962,520)	\$ -	
Public safety	74,492,182	119,937	7,217,697	2,670,484	21,127,818	(64,613,100)	-	(64,613,100)	-	
Transportation	35,370,857	2,967,933	13,485,266	5,599,926	-	1,874,220	-	1,874,220	-	
Natural&Economic env	71,139,729	1,439,466	16,606,970	53,663,522	-	(2,308,703)	-	(2,308,703)	-	
Social services	40,876,126	1,614,218	14,060,057	23,714,691	-	(4,715,596)	-	(4,715,596)	-	
Culture and recreation	13,802,792	319,859	10,420,245	3,766,968	-	64,562	-	64,562	-	
Interest on long term debt	2,685,165	-	-	-	-	(2,685,165)	-	(2,685,165)	-	
Total governmental activities	321,325,018	(684,883)	93,863,591	109,191,586	21,238,656	(96,346,302)	-	(96,346,302)	-	
<i>Business-type Activities:</i>										
Solid waste	1,908,052	163,628	2,866,961	95,642	-	-	890,923	890,923	-	
Golf course	1,776,776	-	2,187,278	-	-	-	410,502	410,502	-	
Water	5,815,163	345,440	7,699,216	213,251	1,757,228	-	3,509,092	3,509,092	-	
Sewer	4,092,259	175,815	4,825,957	-	-	-	557,883	557,883	-	
Total business-type activities	13,592,250	684,883	17,579,412	308,893	1,757,228	-	5,368,400	5,368,400	-	
Total primary government	334,917,268	-	111,443,003	109,500,479	22,995,884	(96,346,302)	5,368,400	(90,977,902)	-	
<i>Component Unit</i>										
Public Facilities District	4,269,528	-	-	1,852,497	-	-	-	-	(2,417,031)	
Total Component Unit	4,269,528	-	-	1,852,497	-	-	-	-	(2,417,031)	
<i>General Revenues:</i>										
Property taxes						122,755,480	-	122,755,480	-	
Sales taxes						73,159,707	-	73,159,707	1,909,791	
Excise and other taxes						19,847,333	-	19,847,333	-	
Interest and investment earnings						4,530,327	(63,824)	4,466,503	248,730	
Gain on sale of capital assets						783,755	(221,042)	562,713	-	
Transfers						495,000	(495,000)	-	-	
Total general revenues and transfers						221,571,602	(779,866)	220,791,736	2,158,521	
Change in net position						125,225,300	4,588,534	129,813,834	(258,510)	
Net position as of January 1						1,462,738,599	134,105,125	1,596,843,724	4,694,224	
Prior Period Adjustment						(2,406,404)	125,005	(2,281,399)	-	
Net position as of January 1						1,460,332,195	134,230,130	1,594,562,325	4,694,224	
Net position as of December 31						\$ 1,585,557,495	\$ 138,818,664	\$ 1,724,376,159	\$ 4,435,714	

See accompanying notes to the financial statements

Clark County Washington
Balance Sheet
Governmental Funds
December 31, 2021

	Special Revenue Major Funds				
	General Fund	County Roads	Community Services Grants	Campus Development	American Rescue Plan
Assets					
Cash, cash equivalents and pooled investments	\$ 48,958,277	\$ 24,750,137	\$ 22,226,996	\$ 2,071,105	\$ 45,692,493
Deposit in trust	3,579,930	-	-	-	-
Taxes receivable	14,871,484	1,625,350	-	-	-
Accounts receivable	6,029,110	58,948	456,729	37,802	-
Lease receivable	-	-	-	14,911,053	-
Due from other funds	3,045,749	2,158,117	111,324	6,411	2,340
Due from other governments	4,060,246	1,333,896	6,714,775	2,042	-
Inventory	2,090	1,854,742	-	-	-
Investments	50,000	-	-	-	-
Prepaid expenditures	1,728,054	40,990	-	-	515,424
Advance due from other funds	-	-	-	-	-
Notes/contract receivables	288,623	-	12,069,854	-	-
Total assets	82,613,563	31,822,180	41,579,678	17,028,413	46,210,257
Liabilities, deferred inflows of resources and fund balance					
<i>Liabilities</i>					
Accounts payable	2,772,669	1,120,965	8,139,349	270	1,174,789
Other payables	37,733	3,247	406	-	-
Due to other funds	2,658,922	220,625	25,774	-	2,803,760
Due to other governments	634,394	140,613	256,478	7,415	20,247
Claims and judgements payable	114,364	-	-	-	-
Accrued liabilities	4,838,519	807,048	165,015	19	38,130
Deposits payable	4,414,415	312,848	39,300	2,500	-
Unearned revenue	251,751	479,730	3,682,938	-	42,104,509
Advance due to other funds	-	-	-	-	-
Total liabilities	15,722,767	3,085,076	12,309,260	10,204	46,141,435
<i>Deferred Inflows of Resources</i>					
Unavailable revenue-property taxes	3,554,557	380,468	-	-	-
Unavailable revenue-leases	-	-	-	14,285,359	-
Unavailable other revenue	2,721,480	138,055	-	180,108	-
Unavailable revenue-court	3,296,827	-	-	-	-
Total deferred inflows of resources	9,572,864	518,523	-	14,465,467	-
<i>Fund Balance</i>					
Nonspendable	1,730,145	1,895,732	-	-	515,423
Restricted	-	25,959,317	29,139,261	808,586	-
Committed	-	-	-	-	-
Assigned	11,368,598	363,532	131,157	1,744,156	-
Unassigned	44,219,189	-	-	-	(446,601)
Total fund balance	57,317,932	28,218,581	29,270,418	2,552,742	68,822
Total liabilities, deferred inflows of resources, and fund balance	\$ 82,613,563	\$ 31,822,180	\$ 41,579,678	\$ 17,028,413	\$ 46,210,257

See accompanying notes to the financial statements

Clark County Washington
Balance Sheet
Governmental Funds
December 31, 2021

	Capital Project Major Funds		
	Development Impact Fees	Other Governmental Funds	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 44,193,733	\$ 129,549,796	\$ 317,442,537
Deposit in trust	-	-	3,579,930
Taxes receivable	-	3,500,875	19,997,709
Accounts receivable	3	417,350	6,999,942
Lease receivable	-	6,685,457	21,596,510
Due from other funds	-	989,058	6,312,999
Due from other governments	-	7,318,722	19,429,681
Inventory	-	1,172	1,858,004
Investments	-	-	50,000
Prepaid expenditures	-	155,823	2,440,291
Advance due from other funds	-	3,726,094	3,726,094
Notes/contract receivables	-	1,430	12,359,907
Total assets	44,193,736	152,345,777	415,793,604
Liabilities, deferred inflows of resources and fund balance			
<i>Liabilities</i>			
Accounts payable	-	3,340,714	16,548,756
Other payables	-	119,933	161,319
Due to other funds	664,793	1,087,197	7,461,071
Due to other governments	-	1,396,785	2,455,932
Claims and judgements payable	-	-	114,364
Accrued liabilities	-	1,318,229	7,166,960
Deposits payable	-	1,705,596	6,474,659
Unearned revenue	-	1,157,806	47,676,734
Advance due to other funds	-	3,726,094	3,726,094
Total liabilities	664,793	13,852,354	91,785,889
<i>Deferred Inflows of Resources</i>			
Unavailable revenue-property taxes	-	122,466	4,057,491
Unavailable revenue-leases	-	6,419,507	20,704,866
Unavailable other revenue	-	3,387,263	6,426,906
Unavailable revenue-court	-	-	3,296,827
Total deferred inflows of resources	-	9,929,236	34,486,090
<i>Fund Balance</i>			
Nonspendable	-	156,994	4,298,294
Restricted	43,528,943	113,263,355	212,699,462
Committed	-	10,572,850	10,572,850
Assigned	-	4,570,988	18,178,431
Unassigned	-	-	43,772,588
Total fund balance	43,528,943	128,564,187	289,521,625
Total liabilities, deferred inflows of resources, and fund balance	\$ 44,193,736	\$ 152,345,777	\$ 415,793,604

See accompanying notes to the financial statements

CLARK COUNTY, WASHINGTON
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2021

Total fund balances as shown on the Governmental Funds Balance Sheet:	\$	289,521,625
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount reflects the initial investment in capital assets, net of depreciation. (This amount does not include internal service funds.)		1,328,895,464
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(105,966,117)
The County reports unavailable revenue under a modified accrual basis of accounting in the governmental funds balance sheet. Government-wide statements record revenue when it is earned, therefore unavailable revenue is not reported in the government-wide statements.		13,781,224
Other long-term assets and deferred charges are not available to pay for current-period expenditures and are not included in the fund statements. These items are reported in the statement of net position.		3,020,437
Internal service funds are used to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		70,063,117
Other items related to pension and other post-employment benefit (OPEB) activity are not financial resources, therefore, not reported in the funds.		(13,758,255)
		1,585,557,495
Total net position as reflected on the Statement of Net Position:	\$	1,585,557,495

See accompanying notes to the financial statements

Clark County Washington
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue Major Funds				
	General Fund	County Roads	Community Services Grants	Campus Development	American Rescue Plan
Revenues:					
Property taxes	\$ 73,517,771	\$ 39,819,029	\$ -	\$ -	\$ -
Sales and use taxes	54,827,670	-	-	-	-
Excise and other taxes	623,326	319,167	-	-	-
Licenses & permits	3,830,794	388,317	41,100	-	-
Intergovernmental	16,111,743	12,145,466	48,934,873	-	5,313,038
Charges for services	27,988,657	6,080,406	6,733,805	9,199	-
Fines & forfeitures	2,739,702	-	-	-	-
Interest earnings	2,618,689	(68,376)	183,220	1,744,155	68,825
Donations	-	-	-	-	-
Other revenues	147,999	44,861	-	3,165,932	-
Total revenues	182,406,351	58,728,870	55,892,998	4,919,286	5,381,863
Expenditures:					
Current:					
General government	72,014,728	-	-	3,189,307	709,427
Public safety	79,843,518	-	-	-	-
Transportation	757,199	42,908,967	-	-	-
Natural & Economic env.	2,467,085	-	15,200,754	-	5,821
Social services	1,697,719	-	39,685,671	-	596,715
Culture and Recreation	2,057,667	-	-	-	-
Capital outlay:					
Capital outlay	33,197	-	-	-	-
General government	-	-	-	-	1,046,944
Public Safety	185,710	-	-	-	-
Transportation	17,792	11,941,532	-	-	-
Social Services	-	-	-	-	171,018
Culture & recreation	-	-	-	-	-
Debt service:					
Principal	56,488	-	-	-	-
Interest and other charges	70,721	-	150	-	-
Total expenditures	159,201,824	54,850,499	54,886,575	3,189,307	2,529,925
Excess (deficiency) of revenues over (under) expenditures	23,204,527	3,878,371	1,006,423	1,729,979	2,851,938
Other Financing Sources (Uses):					
Sale of capital assets	313,249	331,419	-	-	-
Insurance recoveries	-	-	-	-	-
Refunding long term debt issued	-	-	-	-	-
Transfers in	7,438,192	6,782,114	1,688,286	-	-
Transfers out	(34,170,028)	(2,108,580)	-	(982,295)	(2,783,116)
Total other financing sources (uses)	(26,418,587)	5,004,953	1,688,286	(982,295)	(2,783,116)
Net change in fund balances	(3,214,060)	8,883,324	2,694,709	747,684	68,822
Fund balance as of January 1	60,531,992	19,335,257	26,575,709	1,805,058	-
Fund balance as of December 31	\$ 57,317,932	\$ 28,218,581	\$ 29,270,418	\$ 2,552,742	\$ 68,822

See accompanying notes to the financial statements

Clark County Washington
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	Capital Project Major Fund		Total
	Development Impact Fees	Other Governmental Funds	
Revenues:			
Property taxes	\$ -	\$ 9,893,835	\$ 123,230,635
Sales and use taxes	-	18,332,037	73,159,707
Excise and other taxes	-	18,904,840	19,847,333
Licenses & permits	-	14,418,730	18,678,941
Intergovernmental	-	32,062,792	114,567,912
Charges for services	12,550,838	10,725,408	64,088,313
Fines & forfeitures	-	23,034	2,762,736
Interest earnings	(126,795)	121,840	4,541,558
Donations	-	163,489	163,489
Other revenues	-	1,875,887	5,234,679
Total revenues	12,424,043	106,521,892	426,275,303
Expenditures:			
Current:			
General government	-	3,513,624	79,427,086
Public safety	-	7,360,049	87,203,567
Transportation	-	-	43,666,166
Natural & Economic env.	-	15,128,108	32,801,768
Social services	-	42,359,280	84,339,385
Culture and Recreation	-	10,662,385	12,720,052
Capital outlay:			
Capital outlay	-	-	33,197
General government	-	97,312	1,144,256
Public Safety	-	421,560	607,270
Transportation	-	-	11,959,324
Social Services	-	-	171,018
Culture & recreation	-	1,111,526	1,111,526
Debt service:			
Principal	-	8,534,663	8,591,151
Interest and other charges	-	2,489,444	2,560,315
Total expenditures	-	91,677,951	366,336,081
Excess (deficiency) of revenues over (under) expenditures	12,424,043	14,843,941	59,939,222
Other Financing Sources (Uses):			
Sale of capital assets	-	19,681	664,349
Insurance recoveries	-	27,315	27,315
Refunding long term debt issued	-	421,560	421,560
Transfers in	-	23,028,935	38,937,527
Transfers out	(3,202,680)	(22,391,774)	(65,638,473)
Total other financing sources (uses)	(3,202,680)	1,105,717	(25,587,722)
Net change in fund balances	9,221,363	15,949,658	34,351,500
Fund balance as of January 1	34,307,580	112,614,529	255,170,125
Fund balance as of December 31	\$ 43,528,943	\$ 128,564,187	\$ 289,521,625

See accompanying notes to the financial statements

CLARK COUNTY, WASHINGTON
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2021

Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance:	\$	34,351,500
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense		7,159,777
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) to increase net position.		17,128,029
Internal service fund expenses are allocated to other funds. The net expense of certain internal service fund activities is reported with governmental activities on the Statement of Activities.		28,236,195
The issuance of long-term debt and other long term liabilities provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This entry is the net effect of these differences in the treatment of long-term debt issuance and payments.		8,919,720
Governmental funds report revenue in the current period for revenues unearned and/or deferred in prior periods, since they were not available financing sources at the time. Government-wide statements record revenues at the time they are earned. This amount accounts for the change in deferred inflows of resources during the fiscal year and the change in other long term assets.		(1,237,838)
Some expenses reported in the statement of activities do not require the use of current financial resources, and accordingly, are not reported as expenditures in governmental funds.		<u>30,667,917</u>
Change in net position, as reflected on the Statement of Activities	\$	<u><u>125,225,300</u></u>

See accompanying notes to the financial statements

Clark County Washington
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the year ended December 31, 2021

	Original Budget	Final Budget	Actual to Date	Variance with Final Budget Positive/ (Negative)
Revenues:				
Property taxes	\$ 71,980,421	\$ 71,980,421	\$ 73,517,771	\$ 1,537,350
Sales and use taxes	45,365,009	53,365,009	54,827,670	1,462,661
Excise and other taxes	468,394	468,394	623,326	154,932
Licenses & permits	3,513,571	3,513,571	3,830,794	317,223
Intergovernmental	17,392,950	18,204,361	16,111,743	(2,092,618)
Charges for services	31,986,019	32,323,352	27,988,657	(4,334,695)
Fines & forfeitures	3,388,877	3,388,877	2,739,702	(649,175)
Interest earnings	2,796,058	2,796,058	2,618,689	(177,369)
Other revenues	158,139	1,054,578	147,999	(906,579)
Total revenues	177,049,438	187,094,621	182,406,351	(4,688,270)
Expenditures:				
Current:				
General government	78,758,177	80,957,524	72,014,728	8,942,796
Public safety	81,247,966	81,912,581	79,843,518	2,069,063
Transportation	1,258,569	1,274,819	757,199	517,620
Natural & Economic env.	2,886,312	2,898,545	2,467,085	431,460
Social services	1,745,102	1,839,523	1,697,719	141,804
Culture and Recreation	2,208,143	2,358,568	2,057,667	300,901
Capital outlay:				
Capital outlay	50,000	-	33,197	(33,197)
Public Safety	260,000	260,000	185,710	74,290
Transportation	5,580,000	5,580,000	17,792	5,562,208
Principal	-	-	56,488	(56,488)
Interest and other charges	-	-	70,721	(70,721)
Total expenditures	173,994,269	177,081,560	159,201,824	17,879,736
Excess (deficiency) of revenues over expenditures	3,055,169	10,013,061	23,204,527	13,191,466
Sale of capital assets	-	-	313,249	313,249
Transfers in	1,710,900	18,086,996	7,438,192	(10,648,804)
Transfers out	(12,484,113)	(38,390,264)	(34,170,028)	4,220,236
Total other financing sources(uses)	(10,773,213)	(20,303,268)	(26,418,587)	(6,115,319)
Net change in fund balance	(7,718,044)	(10,290,207)	(3,214,060)	7,076,147
Fund balance as of January 1	60,531,992	60,531,992	60,531,992	-
Prior period adjustment	-	-	-	-
Fund balance as of January 1-restated	60,531,992	60,531,992	60,531,992	-
Fund balance as of December 31	\$ 52,813,948	\$ 50,241,785	\$ 57,317,932	\$ 7,076,147

* Interfund transfers vary from the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balance, as that statement nets transfers between the General Fund and Permanent Reserve Fund, that are reported as part of the General Fund.

See accompanying notes to the financial statements

Clark County Washington
County Roads
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the year ended December 31, 2021

	Original Budget	Final Budget	Actual to Date	Variance with Final Budget Positive/ (Negative)
<u>Revenues</u>				
Property taxes	\$ 38,777,498	\$ 38,777,498	\$ 39,819,029	\$ 1,041,531
Excise and other taxes	290,000	290,000	319,167	29,167
Licenses and permits	454,000	454,000	388,317	(65,683)
Intergovernmental	20,377,300	15,586,300	12,145,466	(3,440,834)
Charges for services	7,636,124	11,291,910	6,080,406	(5,211,504)
Interest earnings	150,000	150,000	(68,376)	(218,376)
Other revenues	379,000	379,000	44,861	(334,139)
Total Revenues	68,063,922	66,928,708	58,728,870	(8,199,838)
<u>Expenditures</u>				
Current:				
Transportation	54,374,564	57,386,565	42,908,967	14,477,598
Capital outlay:				
Transportation	21,445,500	16,246,119	11,941,532	4,304,587
Total Expenditures	75,820,064	73,632,684	54,850,499	18,782,185
Excess (deficiency) of revenues over expenditures	(7,756,142)	(6,703,976)	3,878,371	10,582,347
Sale of capital assets	466,000	466,000	331,419	(134,581)
Transfers in	9,427,318	9,537,318	6,782,114	(2,755,204)
Transfers out	(2,224,264)	(2,227,281)	(2,108,580)	118,701
Total other financing sources (uses)	7,669,054	7,776,037	5,004,953	(2,771,084)
Net change in fund balance	(87,088)	1,072,061	8,883,324	7,811,263
Fund balance as of January 1	19,335,257	19,335,257	19,335,257	-
Fund balance as of December 31	\$ 19,248,169	\$ 20,407,318	\$ 28,218,581	\$ 7,811,263

See accompanying notes to the financial statements

Clark County Washington
Community Services Grants
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the year ended December 31, 2021

	Original Budget	Final Budget	Actual to Date	Variance with Final Budget Positive/ (Negative)
<u>Revenues</u>				
Licenses and permits	\$ 45,000	\$ 45,000	\$ 41,100	\$ (3,900)
Intergovernmental	29,689,113	84,002,298	48,934,873	(35,067,425)
Charges for services	11,150,148	11,150,148	6,733,805	(4,416,343)
Interest earnings	1,000	1,000	183,220	182,220
Total Revenues	40,885,261	95,198,446	55,892,998	(39,305,448)
<u>Expenditures</u>				
Current:				
Natural & Economic env.	6,956,596	33,708,502	15,200,754	18,507,748
Social services	32,101,850	59,780,606	39,685,671	20,094,935
Interest and other charges	-	-	150	(150)
Total Expenditures	39,058,446	93,489,108	54,886,575	38,602,533
Excess (deficiency) of revenues over expenditures	1,826,815	1,709,338	1,006,423	(702,915)
Transfers in	1,308,305	2,442,925	1,688,286	(754,639)
Transfers out	(200,000)	(1,240,805)	-	1,240,805
Total other financing sources (uses)	1,108,305	1,202,120	1,688,286	486,166
Net change in fund balance	2,935,120	2,911,458	2,694,709	(216,749)
Fund balance as of January 1	26,575,709	26,575,709	26,575,709	-
Fund balance as of December 31	\$ 29,510,829	\$ 29,487,167	\$ 29,270,418	\$ (216,749)

See accompanying notes to the financial statements

Clark County Washington
Campus Development
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the year ended December 31, 2021

	Original Budget	Final Budget	Actual to Date	Variance with Final Budget Positive/ (Negative)
Revenues				
Charges for services	\$ -	\$ 6,000	\$ 9,199	\$ 3,199
Interest earnings	16,000	16,000	1,744,155	1,728,155
Other revenues	4,819,484	4,819,484	3,165,932	(1,653,552)
Total Revenues	4,835,484	4,841,484	4,919,286	77,802
Expenditures				
General government	3,179,542	3,204,292	3,189,307	14,985
Total Expenditures	3,179,542	3,204,292	3,189,307	14,985
Excess (deficiency) of revenues over expenditures	1,655,942	1,637,192	1,729,979	92,787
Transfers out	(982,296)	(1,095,296)	(982,295)	113,001
Total other financing sources (uses)	(982,296)	(1,095,296)	(982,295)	113,001
Net change in fund balance	673,646	541,896	747,684	205,788
Fund balance as of January 1	1,805,058	1,805,058	1,805,058	-
Fund balance as of December 31	\$ 2,478,704	\$ 2,346,954	\$ 2,552,742	\$ 205,788

See accompanying notes to the financial statements

Clark County Washington
American Rescue Plan
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the year ended December 31, 2021

	Original Budget	Final Budget	Actual to Date	Variance with Final Budget Positive/ (Negative)
Revenues				
Intergovernmental	\$ -	\$ 38,193,808	\$ 5,313,038	\$ (32,880,770)
Interest earnings	-	-	68,825	68,825
Total Revenues	-	38,193,808	5,381,863	(32,811,945)
Expenditures				
General government	-	10,644,739	709,427	9,935,312
Natural & Economic env.	-	104,000	5,821	98,179
Social services	-	16,255,069	596,715	15,658,354
General government	-	1,000,000	1,046,944	(46,944)
Social services	-	190,000	171,018	18,982
Total Expenditures	-	28,193,808	2,529,925	25,663,883
Excess (deficiency) of revenues over expenditures	-	10,000,000	2,851,938	(7,148,062)
Transfers out	-	(10,000,000)	(2,783,116)	7,216,884
Total other financing sources (uses)	-	(10,000,000)	(2,783,116)	7,216,884
Net change in fund balance	-	-	68,822	68,822
Fund balance as of January 1	-	-	-	-
Fund balance as of December 31	\$ -	\$ -	\$ 68,822	\$ 68,822

See accompanying notes to the financial statements

Clark County Washington
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise Fund			Governmental Activities
	Major		Total	Internal Service Funds
	Clean Water	Nonmajor Enterprise Funds		
Assets				
Current assets:				
Cash, cash equivalents and pooled investments	\$ 11,365,563	\$ 8,517,366	\$ 19,882,929	\$ 55,389,476
Deposit in trust	-	-	-	715,000
Special assessments receivable	182,462	-	182,462	-
Interest and penalties receivable	-	19	19	-
Other receivables	4,318	394,083	398,401	1,075,541
Due from other funds	13,836	25,925	39,761	2,271,126
Due from other governments	227,111	21,662	248,773	1,475,115
Inventory (at cost)	-	-	-	764,264
Prepaid expense	34,348	771	35,119	2,261,736
Lease receivable - short term	-	-	-	32,557
Total current assets	11,827,638	8,959,826	20,787,464	63,984,815
Noncurrent assets:				
Net pension asset	1,091,839	1,162,102	2,253,941	4,147,782
Lease receivable - Long term	-	-	-	623,971
Capital assets not being depreciated				
Land	37,060,805	6,590,758	43,651,563	-
Infrastructure not being depreciated	75,106,432	-	75,106,432	-
Construction in progress	294,308	-	294,308	475,501
Capital assets being depreciated				
Buildings	-	1,741,378	1,741,378	102,357
Improvements	-	891,412	891,412	1,172,103
Machinery and equipment	15,194	288,175	303,369	45,900,645
Infrastructure	-	944,358	944,358	-
Intangibles	-	-	-	2,644,686
Less accumulated depreciation	(13,199)	(2,460,274)	(2,473,473)	(28,207,125)
Total noncurrent assets	113,555,379	9,157,909	122,713,288	26,859,920
Total assets	125,383,017	18,117,735	143,500,752	90,844,735
Deferred outflows of resources				
Deferred outflows - pension	125,362	133,428	258,790	476,231
Deferred outflows - OPEB	10,261	11,445	21,706	35,334
Deferred outflows - ARO	-	-	-	195,001
Total deferred outflows of resources	135,623	144,873	280,496	706,566
Liabilities				
Current liabilities:				
Accounts payable	49,136	407,030	456,166	958,700
Other payables	100,910	107,798	208,708	539,508
Due to other funds	235,786	256,053	491,839	670,974
Due to other governments	18,772	448	19,220	174,374
Accrued liabilities	734	1,541	2,275	3,046
Deposits payable	6,325	7,664	13,989	158,522
Lease liability - Short term	-	-	-	322,721
Unearned Revenue	6,251	-	6,251	348,877
Compensated absences- current	3,769	15,966	19,735	70,472
Current long term liabilities	1,943	2,166	4,109	2,874,331
Total current liabilities	423,626	798,666	1,222,292	6,121,525
Noncurrent liabilities:				
Lease liability - Long Term	-	-	-	628,662
Contracts payable	-	611,882	611,882	327,353
Compensated absences	287,751	137,174	424,925	602,571
Net pension liability	115,131	122,540	237,671	437,374
Total OPEB Liability	29,921	33,371	63,292	103,039
Asset retirement obligation	-	-	-	880,000
Accrued claims payable	-	-	-	7,370,043
Total noncurrent liabilities	432,803	904,967	1,337,770	10,349,042
Total liabilities	856,429	1,703,633	2,560,062	16,470,567
Deferred inflows of resources				
Deferred inflows - Pensions	1,163,658	1,238,542	2,402,200	4,420,611
Deferred inflows - Lease	-	-	-	596,482
Deferred inflows - OPEB	153	169	322	524
Total deferred inflows of resources	1,163,811	1,238,711	2,402,522	5,017,617
Net Position				
Investment in capital assets	112,463,540	7,995,807	120,459,347	22,088,167
Restricted for workers compensation claims	-	-	-	150,000
Restricted for pension	1,091,839	1,162,102	2,253,941	4,147,782
Unrestricted	9,943,021	6,162,355	16,105,376	43,677,168
Total net position	\$ 123,498,400	\$ 15,320,264	\$ 138,818,664	\$ 70,063,117

Clark County Washington
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major			Internal Service Activities
	Clean Water	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES				
Charges for services	\$ 7,687,982	\$ 9,874,271	\$ 17,562,253	\$ 52,087,066
Miscellaneous	10,184	-	10,184	7,580,482
Total operating revenues	7,698,166	9,874,271	17,572,437	59,667,548
OPERATING EXPENSES				
Personal services	2,199,252	2,593,495	4,792,747	9,163,614
Pension and OPEB Adjustment	(500,961)	(589,124)	(1,090,085)	(2,041,384)
Contractual services	4,363,584	5,298,579	9,662,163	40,404,100
Other supplies and expenses	93,088	763,821	856,909	7,970,946
Asset Retirement Obligation Expense	-	-	-	24,333
Depreciation	1,740	49,759	51,499	3,334,301
Total operating expenses	6,156,703	8,116,530	14,273,233	58,855,910
Operating Income (loss)	1,541,463	1,757,741	3,299,204	811,638
NONOPERATING REVENUES (EXPENSES)				
Interest and investment revenue	(34,397)	(29,427)	(63,824)	(2,492)
Operating grant revenue	213,251	95,642	308,893	25,844
Miscellaneous revenue	1,050	5,925	6,975	59,872
Gain/(loss) on disposition of capital assets	(197,983)	(23,059)	(221,042)	164,745
Interest expense	(3,900)	-	(3,900)	(98,878)
Total non-operating revenues (expenses)	(21,979)	49,081	27,102	149,091
Income (loss) before contributions, special items and transfers	1,519,484	1,806,822	3,326,306	960,729
Capital contributions	1,757,228	-	1,757,228	79,519
Transfers in	-	-	-	27,195,947
Transfers out	(300,000)	(195,000)	(495,000)	-
Change in net position	2,976,712	1,611,822	4,588,534	28,236,195
Net position as of January 1	120,521,688	13,583,437	134,105,125	41,826,922
Prior period adjustments	-	125,005	125,005	-
Net position as of January 1	120,521,688	13,708,442	134,230,130	41,826,922
Net position as of December 31	\$ 123,498,400	\$ 15,320,264	\$ 138,818,664	\$ 70,063,117

See accompanying notes to the financial statements

Clark County Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Major	Nonmajor Enterprise Funds	Totals	Internal Service Funds
	Clean Water			
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers (inflows)	\$ 7,687,982	\$ 9,856,513	\$ 17,544,495	\$ 1,636,778
Receipts from customers (outflows)	(46,525)	(4,258)	(50,783)	(1,347,879)
Receipts from interfund services provided (inflows)	-	71,842	71,842	51,221,502
Receipts from interfund services provided (outflows)	(10,618)	-	(10,618)	(532,999)
Payments to suppliers (outflow)	(4,486,329)	(6,116,330)	(10,602,659)	(50,070,481)
Payments to employees	(2,160,892)	(2,598,476)	(4,759,368)	(9,214,833)
Payments for interfund services used (inflows)	-	65,839	65,839	194,133
Payments for interfund services used (outflows)	(3,302)	-	(3,302)	(124,023)
Miscellaneous receipts/expenses (inflows)	11,234	5,925	17,159	7,580,308
Claims paid (outflows)	(19,174)	-	(19,174)	(346,176)
Claims paid (inflows)	-	-	-	692,016
Net cash provided (used) by operating activities	972,376	1,281,055	2,253,431	(311,654)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants received	213,251	95,642	308,893	25,844
Advance from other funds- outflows	-	-	-	-
Repayment of long-term debt and other	(252,002)	-	(252,002)	-
Operating Debt interest	(3,900)	-	(3,900)	(65)
Transfer to other governments	-	-	-	-
Transfers from other funds	-	-	-	27,195,947
Transfers to other funds	(300,000)	(194,999)	(494,999)	-
Net cash provided (used) by noncapital financing activities	(342,651)	(99,357)	(442,008)	27,221,726
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	93,013	-	93,013	79,519
Principal paid on capital debt	-	-	-	(98,813)
Principal paid on lease debt	-	-	-	(297,934)
Purchases of capital assets	(376,913)	-	(376,913)	(1,863,498)
Proceeds from sales of capital assets	-	-	-	307,380
Net cash (used) by capital and related financing activities	(283,900)	-	(283,900)	(1,873,346)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earnings	(34,398)	(29,429)	(63,827)	(2,493)
Net cash provided by investing activities	(34,398)	(29,429)	(63,827)	(2,493)
Net increase/(decrease) in cash and cash equivalents	311,427	1,152,269	1,463,696	25,034,233
Cash and cash equivalents on January 1	11,054,136	7,365,097	18,419,233	31,070,244
Cash and cash equivalents on December 31*	\$ 11,365,563	\$ 8,517,366	\$ 19,882,929	\$ 56,104,477

See accompanying notes to the financial statements

Clark County Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities -- Enterprise Funds			Governmental Activities
	Major	Nonmajor Enterprise Funds	Totals	Internal Service Funds
	Clean Water			
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 1,541,463	\$ 1,757,741	\$ 3,299,204	\$ 811,638
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	1,740	49,759	51,499	3,334,301
Pension expense for non-cash change in pension items	(500,961)	(589,124)	(1,090,085)	(2,041,384)
Miscellaneous receipts	1,050	5,925	6,975	59,872
(Increase) decrease in deposits	-	-	-	-
(Increase) decrease in accounts receivable	22,805	(122,220)	(99,415)	(40,018)
(Increase) decrease in due from other funds	(10,618)	71,842	61,224	19,657
(Increase) decrease in due from other governments	(29,697)	100,204	70,507	(753,903)
Increase (decrease) in accounts payables	(85,274)	(49,746)	(135,020)	(870,652)
(Increase) decrease in prepaids	36,898	(128)	36,770	(737,260)
Increase (decrease) in due to other funds	(3,302)	65,839	62,537	70,110
Increase (decrease) in due to other governments	18,719	(4,056)	14,663	3,607
Increase (decrease) in other liabilities	(59,929)	(6,617)	(66,546)	(25,266)
Increase (decrease) in inventory	-	-	-	(91,130)
Increase (decrease) in compensated absences	39,482	1,636	41,118	(51,226)
Asset donated to governmental activities	-	-	-	-
Net cash provided (used) by operating activities	\$ 972,376	1,281,055	\$ 2,253,431	\$ (311,654)
Noncash investing, capital, and financing activities				
Contribution of capital assets	\$ 1,664,215	-	\$ 1,664,215	\$ -
RTU - Lease Capital Assets	\$ -	\$ -	\$ -	\$ 1,249,317

See accompanying notes to the financial statements

Clark County Washington
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	Investment Trust Fund	Private Purpose Trust Fund - Crass	Custodial Funds
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 33,404,618
Cash and deposits in trust	-	-	332,906
Pooled investments at fair value	736,405,496	64,325	-
Interest receivable	265,512	-	-
Taxes receivable for other governments	-	-	8,603,155
Other assets	-	-	2,956,358
Total Assets	<u>736,671,008</u>	<u>64,325</u>	<u>45,297,037</u>
Liabilities			
Accounts payable and other liabilities	-	-	1,498,730
Due to other governments	-	-	9,335,613
Total Liabilities	<u>-</u>	<u>-</u>	<u>10,834,343</u>
Net Position			
Pool participants	736,671,008	-	-
Individuals, organizations and other governments	-	64,325	34,462,694
Total Net Position	<u>\$ 736,671,008</u>	<u>\$ 64,325</u>	<u>\$ 34,462,694</u>

Clark County Washington
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2021

	Investment Trust Fund	Private Purpose Trust Fund - Crass	Custodial Funds
Additions:			
Property tax collections for other governments	\$ -	\$ -	\$ 722,427,856
Additions by participants	989,148,123	-	-
Collection from investment disbursements	-	-	1,181,746,575
State and federal share revenues and grants collected for other governments	-	-	1,127,705,178
Other tax collections	-	-	152,034,514
Court collections for other governments	-	-	4,039,404
Assessments collected from customers	-	-	49,358,441
Collection of debt proceeds	-	-	104,595,880
Other Custodial Collections	-	-	45,443,377
Investment Income			
Interest, dividends and other	6,022,885	(286)	-
Net increase decrease in fair value of investments	(8,630,226)	-	440,051
Net investment income	(2,607,341)	(286)	440,051
Total Additions	986,540,782	(286)	3,387,791,276
Deductions:			
Distributions to participants	1,204,412,526	-	-
Distributions for investment purchases	-	-	966,087,638
Payments of property tax	-	-	347,010,490
Payments of other tax collections	-	-	151,524,524
Payments of court collections	-	-	3,969,340
Disbursements for wages and benefits	-	-	935,825,711
Disbursements to vendors and suppliers	-	-	858,091,095
Disbursements to bond and debt holders	-	-	115,049,342
Other Custodial disbursements	-	2,500	7,666,579
Total Deductions	1,204,412,526	2,500	3,385,224,719
Change in net position held for individuals, organizations and other governments	(217,871,744)	(2,786)	2,566,557
Net Position			
Restricted Net position as of January 1	954,542,752	67,111	31,896,137
Restricted Net position as of December 31	\$ 736,671,008	\$ 64,325	\$ 34,462,694

CLARK COUNTY WASHINGTON
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Clark County have been prepared in conformance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Washington State Auditor's Office has developed and implemented the Budgeting, Accounting, and Reporting System (BARS), designed to promote uniformity among cities and counties in Washington. Following is a summary of significant accounting policies for Clark County.

A. Financial Reporting Entity

The reporting entity "Clark County" consists of Clark County as the primary government, one discretely presented component unit, and five blended component units for which the County is financially accountable. Blended component units are legally separate entities, but are in substance a part of the County's operations. The data from these entities are combined with the financial data from the primary government.

In addition, the County has two related organizations (***Clark Regional Emergency Services Agency***) and (***Vancouver Library Capital Facilities Area***). Information on these relationships is included in Note 20, in these *Notes to the Financial Statements*.

Clark County is a Home Rule Charter County, which is governed by a five-member council and managed by an appointed county manager. Under this form of government, the council performs the legislative function of government and the county manager performs the executive functions. The home rule charter gives voters the powers of initiative and referendum. Under the charter there are four council districts which each elect one council member, with the fifth council member, the council chair, elected county-wide.

Discretely Presented Component Unit:

In 2002, Clark County formed the ***Clark County Public Facilities District (CCPFD)*** to collect a portion of state sales and use taxes within the public facilities district. These revenues are to be used solely to acquire, collect, own, remodel, maintain, and equip regional centers as defined by law. In 2003, the CCPFD and the City of Vancouver Public Facilities District (City PFD) entered into an interlocal agreement to transfer ninety-seven percent of the sales tax revenue received by the County PFD to the City's PFD to support the construction of the Vancouver Convention Center. The remainder of the revenue goes to support the construction and maintenance of the County Fairgrounds Expo Center.

As contractually required under the interlocal agreement, each year the City PFD sends CCPFD the excess tax revenue received over a cap amount as set out in the interlocal agreement. Under the interlocal agreement pursuant to the flow of funds under the refunding, the City PFD agrees to pay CCPFD 50% of the "surplus" annual revenues from the convention center project up to \$650,000, provided that payment doesn't exceed the amount the CCPFD transferred to the City PFD for the year. At the end of 2021, the CCPFD has a note receivable in the amount of \$4,216,322 from the City PFD. The CCPFD is composed of five directors appointed by the Clark County Councilors. The CCPFD is a discretely presented component unit because the County cannot impose its will on the CCPFD and the CCPFD provides services to other entities.

Separately issued financial statements for the CCPFD can be obtained by contacting the Clark County Auditor's Office, P.O. Box 5000, Vancouver, Washington 98666-5000.

Blended Component Units:

Industrial Revenue Bond Corporation of Clark County (IRBC) was established in 1982 with the granting of its charter under RCW 39.84. The IRBC encourages industrial development by issuing industrial revenue bonds in accordance with the 1981 Economic Development Act of the State of Washington. Revenue bonds issued by the corporation are payable solely from revenues of the industrial development facility funded by the revenue bonds and are neither a liability nor a contingent liability of Clark County, the IRBC, or any other public entity. There are no bond issues outstanding at December 31, 2021. IRBC is a component unit of the County because: 1) it is a separate legal entity; 2) the Board of County Councilors comprises the Board of the IRBC and has operational responsibility for the IRBC; and 3) the County can impose its will on the IRBC. The operations of the IRBC are reported as a blended special revenue fund.

Emergency Medical Service District Number 1 (EMSD1) was established in 1986 as a quasi-municipal corporation and an independent taxing authority under RCW 36.32.480. In 1987, the District entered into an Interlocal Cooperation Agreement with Cowlitz County Emergency Medical Service District Number 1 and the Town of Yacolt to operate a joint emergency medical services agency designated as "North Country Emergency Medical Service" (NCEMS). EMSD1 ordinance designates the Board of Clark County Councilors as the governing body. EMSD1 is a separate legal entity and collects property taxes and remits the property taxes received through the interlocal agreement to NCEMS.

Emergency Medical Service District Number 2 (EMSD2) was established in 1986 as a quasi-municipal corporation and an independent taxing authority under RCW 36.32.480. In 1995, an Emergency Medical Service (EMS) Interlocal Cooperation Agreement was signed by the County and various cities within the county to enable these jurisdictions to exercise uniform EMSD2 regulatory oversight and to participate in purchasing ambulance services in the contract service area. The EMSD2 is a separate legal entity. The EMSD2 ordinance designates the Board of Clark County Councilors as the governing body of the EMSD2. The County has operational and financing responsibility for the EMSD2, which is reported as a blended special revenue fund (Emergency Medical Services).

The Interlocal Cooperation Agreement expired on December 31, 2014 and the City of Vancouver elected not to renew its membership. The remaining parties agreed to keep the district intact. The City of Vancouver became the treasurer for all post 2014 monies. Clark County is holding the pre-2015 funds for EMSD until it is determined how the funds will be spent.

Fairgrounds Site Management Group (FSMG) was established in 2004 as a non-profit organization to oversee the management, operations and maintenance of the county fairgrounds and event center. All operating revenues collected by FSMG are the sole property of the County. The County adopts a budget for the expenditures relating to operations of the fairgrounds, financially supports the operations of the Event Center and the fairgrounds, and the services of the FSMG are provided almost entirely to the County. FSMG is a component unit of the County because: 1) it is a separate legal entity; 2) the five member board is made up of three members appointed by the Clark County Councilors and two members appointed by the Clark County Fair Association, 3) the County can impose its will on FSMG and 4) the County has the financial burden of supporting and funding operations at the fairgrounds and

Event Center. Its operations are reported as a blended special revenue fund (Event Center Fund).

Metropolitan Park District (MPD) was approved by the citizens of the County by vote in 2005 under the authority of RCW 35.61. The MPD creates a district whereby a property tax is imposed to provide operating and maintenance funding for park and trail development in the unincorporated urban area of Clark County. The collection of taxes and the operation of the MPD are reported as a blended special revenue fund (Metropolitan Parks District Fund). The MPD is a separate legal entity governed by the Board of County Councilors and the County is operationally responsible for MPD activities and transactions.

B. Government-wide and Fund Financial Statements

Government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separate from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which direct expenses of a function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not included among program revenues are reported as general revenues.

Fund financial statements are used to report additional and more detailed information about the primary government and its blended component units. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues, when material, to be available if they are collected within 60 days of the end of the fiscal period. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. Exceptions to this rule include unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims

and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property and certain other taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual, and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Clark County reports six major governmental funds:

- The *General Fund* is the County's primary operating fund. It is used to account for all activities of the general government not accounted for and reported in another fund.
- The *County Roads Special Revenue Fund* finances the design, construction, and maintenance of county roads. Restricted revenue streams consist primarily of county road property taxes and grants.
- The *Community Services Grants Special Revenue Fund* is a multi-grant fund used to finance a variety of community improvement and relief services, including assistance to the elderly, weatherization, special volunteers, and aid to the economically disadvantaged. All grant revenues are restricted to these specific services.
- The *Campus Development Fund* collects revenue from the collection leases used to pay the debt on the public health building as well as other county owned property.
- The *American Rescue Plan Fund* collects grant revenue from the American Rescue Plan legislation.
- *Development Impact Fees* collects developer impact fees for parks and road improvements for specific geographic regions in the county.

The County reports one major proprietary fund:

- The *Clean Water Fund* accounts for activities related to the County's stormwater drainage systems, in accordance with the Federal Clean Water Act.

Additionally, the County reports the following non-major fund types:

- *Special revenue funds* account for and report the proceeds of specific revenue sources that are restricted or committed to finance specific activities or functions, as required by law or administrative regulation.
- *Capital project funds* account for and report resources that are restricted, committed or assigned to be used for acquisition or construction of capital projects or other capital assets.
- *Debt service funds* account for and report financial resources that are restricted, committed or assigned to be used for payment of principal and interest on long-term debt.
- *Internal service funds* account for and report services such as equipment rental, elections, central support, self-insurance, building maintenance, retirement benefit reserve, and data processing services provided to other departments and government agencies, on a cost reimbursement basis.
- *Non-major enterprise funds* account for and report solid waste operations associated with the oversight of solid waste in Clark County, operations of the Salmon Creek Treatment

plant under a professional service contract with Discovery Clean Water Alliance and activity at the Tri-Mountain Golf Course.

- The *private-purpose trust fund* accounts for and reports resources legally held in trust for a private entity, the Children's Home Society, to benefit homeless or orphaned children. Only earnings on investments may benefit this activity. The capital portion of the trust must be preserved intact. No resources are used to support the County's programs.
- *Investment trust funds* account for and report external pooled and non-pooled investments held by the County Treasurer on behalf of outside entities in the County's investment program. Pooled money is invested and monitored by the County for external participants that are generally government entities that do not have their own treasurer (such as fire and school districts).
- *Other Custodial Activities* are custodial in nature and do not present results of operations or have a measurement focus. These funds account for and report assets (such as property taxes collected on behalf of other governments) that the County holds for others in an agency capacity. These funds include cities, towns, and fire, school, port, cemetery, air pollution, library, and drainage districts.

In the government-wide statement of activities interfund activity for direct expenses are not eliminated from program expense, while indirect expenses allocated to various functional programs are shown in a separate column. Amounts reported as program revenues include charges to customers or applicants for goods, services or privileges provided and operating and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes, interest earnings, and the gain on sale of capital assets. Special items and interfund transfers are reported separately from revenues and expenses.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal operating revenues of the Clean Water Fund, the non-major enterprise funds and the County's internal service funds are charges to customers for sales and services and activity fees. Operating expenses for enterprise and internal service funds include personnel costs, contractual services, other supplies and expenses, utilities, intergovernmental expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's intent to use restricted resources first, then unrestricted resources, as they are needed.

D. Budgetary Information

The annual budget for Clark County is adopted in accordance with the provisions of the Revised Code of Washington (RCW), as interpreted by the Budgeting, Accounting, and Reporting Systems (BARS) of the State of Washington, and on a basis consistent with generally accepted accounting principles.

The Board of County Councilors adopts annual appropriations for the general, special revenue, and capital project funds. Budgetary constraints for debt service funds are determined by the terms of the debt instruments or enabling legislation. During the budget process, each county department submits detailed estimates of anticipated revenues and expenditure requests for the ensuing budget years. The budget office compiles this data and makes it available for public comment in early October of the budget adoption year. A recommended budget is

published in the third week of November with a public hearing held during the first week in December, when the final budget is adopted.

The annual budget is adopted, and systematically monitored on fund level for special revenue, general obligation bond debt service, and capital project funds and on department level for the General Fund. Personnel costs in each fund are controlled by position. Capital projects and material capital acquisitions are approved on a project basis, with the most significant capital items being reflected in the six years Transportation Improvement Plan, which is updated and approved each year by the Board.

Annual budgets are amended by supplemental appropriation resolutions that are approved by the Board during public meetings. Revisions which increase the total appropriation of any fund are published in the official county newspaper at least two weeks before the public hearing. Revisions approved by the Board during 2021 consisted of awards and modifications of grants, the release of contingency funds to specific programs, and enhanced revenues supporting expanded program requirements. Departments may transfer budget amounts between certain categories of expenditures (such as supplies and services) with authorized approval, without approval of the Board as long as they do not exceed their total department/fund budget.

E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Fund Balance

1. *Cash and Cash Equivalents (See Note 4 for more details)*

It is County policy to invest all temporary cash surpluses. The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments generally with original maturity of three months from the date of acquisition. For purposes of the statement of cash flows, the County considers pooled investments and deposits in trust to be cash equivalents.

2. *Investments (See Note 4 for more details)*

The Clark County Treasurer (Treasurer) is empowered by the State of Washington to act as the fiduciary agent for the County (as Treasurer) and other junior taxing districts (as ex-officio Treasurer). This includes being responsible for the receipting, depositing and prudent investment of public funds as legally prescribed by the laws of the State. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, banker's acceptances, certain other government agency obligations, and the Washington State Local Government Investment Pool. County policy dictates that all investment instruments other than non-negotiable certificates of deposit and monies placed with the Washington State Local Government Investment Pool, and similar money market accounts, be transacted on the delivery versus payment basis. The Washington State Local Investment Pool is measured at amortized cost.

The Treasurer's Office administers and maintains the Clark County Investment Pool for the County and other jurisdictional governments within the county. Participation in the Pool is voluntary. All participants have the option of investing in the Pool, or requesting specific investment amounts and maturity dates for investments outside the Pool. All securities are measured at fair value.

3. *Receivables (See Note 7)*

Taxes receivable consist of delinquent property taxes, as well as other taxes received in the first 60 days following the fiscal year end, which are accrued as revenue in the statements. Property taxes are levied annually before December 15th and become a lien as of January 1st. Property taxes are recorded on the balance sheet as taxes receivable

and deferred inflows of resources at the beginning of the year in the fund statements. Taxes are due in two equal installments on April 30th and October 31st. All uncollected property taxes at year-end are reported as taxes receivable. No allowance for doubtful taxes receivable is recorded because delinquent taxes are considered fully collectible.

Special assessment receivables consist of current and delinquent assessments, and related penalties and interest, which are recorded when levied. Clean water assessments account for 100% of the \$182,462 of special assessments due at December 31, 2021. Of the \$182,462 clean water special assessment due at December 31, 2021, all of the receivable is delinquent.

Accounts receivable consist of amounts due from individuals or organizations for goods and services. Notes/contracts receivable consist of amounts due on open account from individuals or organizations for goods, services, sales of capital assets, and for low-income housing notes. Receivable amounts exclude any amounts estimated to be material and uncollectible at year end. An amount for allowance to doubtful notes/contract receivable has been recorded for those low-income housing notes or contracts receivable that are forgiven upon completion of the contract.

4. Amounts Due to and from Other Funds and Governments, Interfund Loans and Advances Receivable (See Note 8 for more details)

Outstanding lending and borrowing arrangements between funds at the end of the year are referred to as “advances due to/from other funds”. Other outstanding balances between funds are reported as “due to/from other funds”. Residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. Interfund balances between governmental funds and interfund balances between proprietary funds have been eliminated and are not included in the government-wide statement of net position.

Due from other governments can include amounts due from grantors for grants issued for specific programs and capital projects, motor vehicle fuel tax receivable, amounts due for services to other governments (for example, providing court or jail services) and other pass through revenues receivable.

5. Inventories and Prepaid Items

Inventories are generally held in the county road fund and consist of expendable supplies, rock, vehicle parts, fuel, signs and other roadway supplies. The cost is recorded as expenditures at the time inventory items are consumed. Inventory is valued using the average cost method, which approximates the market value.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The County uses the consumption method by recognizing expenditures in the period service is provided.

6. Capital Assets (See Note 6 for more details)

Capital assets include land, buildings, improvements, equipment, infrastructure, and all other tangible and intangible assets that have initial useful lives extending beyond two years. Infrastructure assets normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of

infrastructure include roads, bridges, stormwater facilities, and water systems. Capital assets are defined by the County as assets with an initial individual cost of more than \$100,000 for infrastructure assets and more than \$5,000 for all other asset categories.

The County has recorded the value of all infrastructure (which meets the \$100,000 capital threshold requirement referred to in the previous paragraph) acquired from 1980 to present, and has included that value in the financial statements. The County has not reported infrastructure acquired prior to January 1, 1980. Governmental infrastructure assets were first reported in 2001, with the implementation of Governmental Accounting Standards Board Statement # 34 (GASB #34). All infrastructure assets were depreciated until 2003, when the County first chose to use the modified approach. The modified approach was used for bridge and stormwater infrastructure from 2003 to 2016. In 2017 and 2018 the County reported these facilities as capital assets being depreciated. In 2018, the County reverted to the modified approach for capitalized roads after having depreciated road assets in 2017.

When capital assets are purchased they are capitalized and depreciated (with the exception of construction in progress, land, easements, and infrastructure being reported using the modified approach) in government-wide financial statements and proprietary fund statements. Capital asset costs are recorded as expenditures of the current period in governmental fund financial statements. Capital assets purchased or constructed by the County are valued at cost. Donated capital assets are valued at estimated acquisition value as of the date received.

Improvements to capital assets that materially add to the function or capacity of the asset are capitalized. Improvements are also capitalized if they extend the life of an asset, which is being depreciated. Other repairs and normal maintenance are expensed.

Outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation of these assets does not commence until the project is substantially completed.

Buildings, equipment, improvements, software, and certain infrastructure are depreciated using the straight-line method.

Machinery and equipment purchased on capital leases are treated as capital assets, indicating a constructive or actual transfer of the benefits and risks of ownership to the County, and are valued at the lesser of the fair value of the leased property or the net present value of the minimum lease payments required by the contract.

Estimated useful lives are as follows:

Buildings	40 – 60 years
Improvements other than buildings	10 - 50 years
Heavy vehicles and equipment	5 - 15 years
Data Processing Equipment	3 - 5 years
Other Equipment	3 - 15 years
Infrastructure	10 - 80 years
Software	5 - 10 years

7. *Compensated Absences*

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. Employees with a minimum of ten years of services are permitted to cash out a portion of their accrued sick leave at termination, based on a percentage of accumulated hours. The remainder of unpaid sick leave is not earned until taken by the employee, and therefore is recorded at the time used in governmental funds. All vacation pay and eligible sick leave pay is accrued when incurred in the government-wide and proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund, special revenue funds, and internal service funds typically liquidate the governmental activities liability for compensated absences.

8. Other Accrued Liabilities

These accounts consist mainly of accrued employee wages and benefits, and other post-employment benefits, where applicable. The General Fund typically liquidates the liability for other post-employment benefits.

9. Long-term Obligations (See Note 10 and 11)

Revenue bonds and other long-term liabilities directly related to and financed from proprietary funds are accounted for in the respective proprietary funds. The County currently has no outstanding revenue bonds. All other County long-term debt is reported in the governmental column of the government-wide statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight line interest method since it is not materially different from the effective interest method. Bonds payable are reported net of the premium or discount. Bond issuance costs are reported as costs of the current period. In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the current period. The face amount of debt is reported as other financing sources when received. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance cost is reported as debt service expenditures.

10. Pensions and OPEB

For purposes of measuring the net pension and the other post employment benefits liability, assets, deferred outflows and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of calculating the restricted net position related to the net pension asset, the county included the net pension asset and the related deferred outflows and deferred inflows.

11. Asset Retirement Obligation

An Asset Retirement Obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset that has a substantial cost to a government. An ARO is recognized when the liability is incurred and reasonably estimable. Incurrence of a liability requires both an internal obligating event and an external obligating event resulting from normal operations. An internal obligating event includes acquiring or placing a capital

asset into operation. An external obligating event requires federal, state, or local laws or regulations, a binding contract or issuance of a court judgement requiring specific actions to retire an asset. The obligation will be paid from operating income; no assets have been set aside to fund the obligations.

12. *Deferred outflows/inflows of resources*

The statement of net position will sometimes report a separate section for *deferred outflows of resources*. This element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense or expenditure) until then. The County currently reports three items as deferred outflows of resources. These items are deferred charge on refunding and amounts related to pensions, OPEB, Leases and asset retirement obligations.

The statements of financial position will also sometimes report a separate section for *deferred inflows of resources*. This element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until then. On the Statement of Net Position, the County reports only amounts related to pensions, OPEB and leases in this category. On the fund balance sheets the County reports unavailable revenue and unavailable accounts receivable in this category. The unavailable revenue arises from property taxes, leases, special assessments and court fees. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

13. *Net Position and Fund Balances*

In the financial statements, assets and deferred outflows in excess of liabilities and deferred inflows are presented in one of two ways depending on the measurement focus of the fund.

On the Statement of Net Position for government-wide reporting and the proprietary funds, net position is segregated into three categories: net investment in capital asset (or *investment in capital assets*, if there is no debt against the assets); restricted net position; and unrestricted net position.

- *Net investment in capital assets* represents total capital assets less accumulated depreciation and debt directly related to capital assets, minus unspent bond proceeds. Deferred inflows or outflows of resources attributable to the acquisition, construction or improvement of capital assets or related debt are included in this component of net position.
- *Restricted net position* is the portion of the County's net position, which is subject to external legal restrictions (by the Revised Code of the State of Washington or by contractual agreements with outside parties) on how they may be used, and therefore are not available for general spending at the discretion of the County.
- *Unrestricted net position* represents amounts not included in other categories.

On governmental fund balance sheets, assets and deferred outflows in excess of liabilities and deferred inflow are reported as fund balances and are segregated into separate classifications indicating the extent to which the County is bound to honor constraints on specific purposes for which those funds can be spent.

Fund balance is reported as *Nonspendable* when the resources cannot be spent because

they are either in a nonspendable form or are legally or contractually required to be maintained intact. The County's resources in nonspendable form in 2021 are all prepaid expenditures and inventory.

Fund balance is reported as *Restricted* when the constraints placed on the use of resources are either: (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, the County's policy is to use restricted resources first and then unrestricted resources, as needed.

Fund balance is reported as *Committed* when the Board of County Councilors (the government's highest level of decision-making authority) adopts a resolution that places specific constraints on how the resources may be used. Once adopted, the commitment remains until it is modified or rescinded by the adoption of a new resolution by the Board of County Councilors.

Amounts in the *Assigned* fund balance category do not meet the criteria to be classified as committed, and are generally more temporary in nature. In other words, additional action does not need to be taken to remove the assignment. *Assigned* fund balance is reported when the intent to use funds for a specific purpose is formally expressed by the Board of Councilors.

The County's current policy only addresses restricted and unrestricted resources (as stated in Note 1-C, above). Without a written policy, the County considers that committed amounts will be used first (after restricted funds), followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes the reconciliation between *fund balance — total governmental funds* and *net position — governmental activities* as reported in the government-wide statement of net position.

One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

General Obligations Bonds Payable	\$	(38,795,000)
Direct Placement Bonds Payable		(15,370,000)
Plus: Issuance premium (to be amortized as interest expense)		(4,490,243)
Private Placement Debt		(3,760,162)
Direct placement advances due to other governments		(11,500,177)
Compensated Absences		(14,100,356)

Interest Payable	(426,026)
Pollution Remediation Obligation	(5,794,670)
Asset Retirement Obligation	(3,618,375)
Lease Payable Obligation	(1,550,970)
Impact Fee Credits	(6,560,138)
Net adjustment to reduce fund balance - total governmental funds	
to arrive at net position - governmental activities	\$ <u>(105,966,117)</u>

Another element of that reconciliation explains that “other items related to pension and other post-employment benefit (OPEB) activity are not financial resources, therefore, not reported in the funds.” The details of this difference are as follows:

Net Pension Asset	\$ 100,713,103
Deferred Outflow of Resources - Pension	11,127,470
Deferred Outflow of Resources - OPEB	1,210,030
Net Pension Liability	(7,712,404)
Total OPEB Liability	(26,225,468)
Deferred inflow of Resources - Pension	(92,860,664)
Deferred Inflow of Resources - OPEB	(10,322)
Net adjustment to reduce fund balance - total governmental	
funds to arrive at net position - governmental activities	\$ <u>(13,758,255)</u>

A final element of this reconciliation explains “Other long-term assets and deferred charges are not available to pay for current-period expenditures and are not included in the fund statements. These items are reported in the statement of net position.” The details of this are as follows:

Long-term receivable	\$ 62,579
Deferred amounts related to asset retirement obligations	76,722
Deferred charges on refunding	2,881,136
Net adjustment to increase fund balance - total governmental	
funds to arrive at net position - governmental activities	\$ <u>3,020,437</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between *net changes in fund balances—total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The difference of this amount is as follows:

Capital Outlays and Constructed Assets	\$ 15,681,189
Right to Use Assets added	421,560
Depreciation/Amortization Expense	(8,942,972)
Net adjustment to increase net changes in fund balances—total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 7,159,777</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) to increase net position” is as follows:

Donated capital assets	\$ 17,301,890
Disposal of capital assets	(173,861)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position governmental activities	<u>\$ 17,128,029</u>

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this difference are as follows:

Grant revenues	\$ 484,757
Net change in impact fee credits	(1,885,952)
Lease revenue	(421,560)
Other revenues unavailable	717,559
Municipal Court revenue	(128,444)
Pension Contributions from State	470,957
Tax revenues - unavailable	(475,155)
Net adjustment to increase net changes in fund balances—total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,237,838)</u>

Another element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this difference are as follows:

Principal payment on loans and leases	\$ 8,591,148
Amortization of issuance premiums	328,572
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 8,919,720</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Pollution remediation adjustment	\$ (2,530,846)
Interest expense adjustment	(214,371)
Amortization of amount related to asset retirement obligations	(1,067)
Pension and OPEB expense adjustment	32,776,005
Compensated absences	638,196
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 30,667,917</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget overage

There is one special revenue fund that exceeded budget in 2021.

Narcotics Task Force fund collects fines designated by the courts that are to be used for an interlocal agency involved in drug enforcement activities. This fund had a budget overage of \$298,736. The overage was due to the implementation of GASB 87 and the requirement to recognize leases held by the fund. The future budgets will include the expenses related to GASB 87 in the future.

NOTE 4 - DEPOSITS AND INVESTMENTS

A. Deposits

Deposits consist of cash and cash equivalents on deposit with the Treasurer. All receipts received by the Treasurer are deposited into qualified bank depositories as specified by the Washington Public Deposit Protection Commission (PDPC). Additionally, the Treasurer designates specific financial institutions per RCW 36.48.101. All deposits are either covered by federal depository insurance or held in a multiple financial institution collateral pool administered by the PDPC.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the county would not be able to recover deposits or collateral securities that are in possession of an outside party. County deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the PDPC.

The county only deposits with institutions that are listed on the approved PDPC listing.

B. Investments

It is the county's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds. The Treasurer administers and maintains the Clark County Investment Pool (Pool) to manage these investments.

Investments are subject to the following risks:

Interest Rate Risk: Interest rate risk is the risk the county may face should interest rate variances affect the fair value of investments. In accordance with county investment policy, the Treasurer manages interest rate risk by limiting the weighted average maturity of its investment portfolio to maturities that fulfill the cash flow needs of the county and its junior taxing districts. The securities in the portfolio are managed to ensure sufficient cash is available to meet anticipated cash flow needs, based on historical information. Any cash in excess of necessary liquidity needs is invested with the following maturity limitations:

Type of Security	Maturity Constraints	Minimum % of Total Portfolio
Any single security (unless matched to a specific cash flow requirement)	Under 5 years Under 1 year Under 30 days	100% 25% 10%
Repurchase and Reverse Agreements	90 days	N/A
Commercial Paper	270 days	N/A
Banker's Acceptances	180 days	N/A

Within these maturity constraints callable agency securities may make up no more than 25% of the total portfolio. The maximum weighted average maturity of the Pool cannot exceed one-and one-half years. As of December 31, 2021, the actual weighted average maturity of the County's Investment Pool was 1.48 years.

Investment Type	Fair Value (or Amortized Cost)	Weighted Average Maturity (Years)
US Sponsored Entities	\$ 292,789,546	2.33
US Treasury	245,945,650	1.61
Supranational	65,259,250	1.72
Corporate Bonds	157,494,439	2.20
Municipal Bonds	120,178,385	1.68
Commercial Paper	34,997,400	0.09
Money Market	15,753,745	0.00
Local Gov't Investment Pool	141,544,150	0.00
Total	\$ 1,073,962,565	1.48

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To limit risk, state law does not allow general governments to invest in corporate equities. In the case of split ratings, where the major Nationally Recognized Statistical Ratings Organizations (NRSRO) ratings differ, the lower rating shall apply. All securities must be purchased on the secondary market and may not be purchased directly from the issuer. State law and county policy further limits such risk by placing the following credit standards on securities at the time of purchase:

Type of Security	Credit Standards
Banker's Acceptances	A1/P1
Corporate Notes	"A-" or equivalent
Commercial Paper	A1/P1 and "A-" or equivalent
Repurchase Agreements	"A" if maturity is less than one week, or "AA" if maturity is greater than one week
Securities Lending Agreements	Long term rating of "A-" or equivalent
Secondary US Agency Obligations	"AA-" or equivalent
Supranational	"AA-" or equivalent
Municipal Bonds	"A-" or equivalent

As of December 31, 2021, the ratings of debt securities, U.S. Treasuries (AAA)* and the following Government Sponsored Enterprises (GSE's) are:

Debt Security	S&P Rating
Fannie Mae (Federal National Mortgage Association)	AA+
Farmer Mac (Federal Agricultural Mortgage Corporation)	AA+
Freddie Mac (Federal Home Loan Mortgage Corporation)	AA+
Federal Home Loan Bank	AA+
Federal Farm Credit Bank	AA+
Tennessee Valley Authority	AA+

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. County policy is to only place investments in financial institutions covered by the PDPC. There is \$15,753,745 in a money market investment exposed to custodial credit risk which is held by Pacific Premier Bank.

Concentration Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. County policy requires that the portfolio be structured to diversify investments to reduce the risk of loss by over-concentration of assets in a specific maturity, a specific issuer, or a specific type of security. U.S. treasuries and federal agencies that have fixed rates are not limited because they carry little credit risk. Specific limits of each eligible security are described below:

- 1) No more than 5% of the portfolio value will be invested in the securities of any single

issuer with the following exceptions:

- a. US government obligations are not limited.
 - b. Primary US agency obligations are limited to 35% per issuer.
 - c. Repurchase agreement counterparties are limited to 20% per overnight or 10% if greater than one day.
 - d. Commercial paper is limited to 3% per issuer.
 - e. Corporate notes are limited to 3% per issuer for AA- or above rated issuers and limited to 2% for issuers rated at least A+, A, or A-. Foreign issuers are further constrained to 2% limit for each country, with the exception of Canadian issuers, which have no limit.
- 2) Limited to no more than 25% between both commercial paper and corporate notes.
 - 3) Limited to no more than 25% in banker's acceptance
 - 4) Limited to no more than 10% in secondary US agency obligations.
 - 5) Limited to no more than 100% in the Washington State Local Government Investment Pool (LGIP).
 - 6) Limited to no more than 20% in municipal bonds.
 - 7) Limited to no more than 25% in securities lending agreements.
 - 8) Limited to no more than 30% in Repurchase agreements
 - 9) The amount of exposure from non-negotiable certificates of deposits (in or outside of the Certificate of Deposit Account Registry Service program) and/or flexible certificates of deposits is limited to no more than 40% of the total portfolio.

Those issuers that exceed 5% of the total investment portfolio's fair value as of December 31, 2021 are disclosed below:

Issuer	% of Investment Portfolio
US Treasury - Notes	22.90%
Washington State LGIP	13.18%
Federal Home Loan Bank	6.85%
Federal Home LoanMortgage Corporation	6.72%
Federal National Morg Assoc	6.23%

Investments in Local Government Investment Pool (LGIP)

The county is a participant in the LGIP was authorized by Revised Code of Washington (RCW) 43.250.030 and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the LGIP and reviews the policy annually. Proposed changes are reviewed by the LGIP Advisory Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals. The only restriction on withdrawals from the LGIP is when a deposit is received electronically via Automated Clearing House (ACH) In this case, a five-day waiting period exists.

The State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>.

Clark County Investment Pool

The Treasurer administers and maintains the Clark County Investment Pool for county and other jurisdictional governments within the county. As of December 31, 2021, the Pool had an average maturity of approximately 542 days.

The Pool is not Security and Exchange Commission-(SEC) registered. Authority to manage the Pool is derived from RCW 36.29.022. Regulatory oversight is provided by the County Finance Committee which, by statute, consists of the County Treasurer, County Auditor, and Chair of the Board of County Councilors. The committee approves the investment policy annually and makes all appropriate rules and regulations to carry out the provisions of RCW 36.48.010 through 36.48.060.

The Treasurer's Office currently uses an investment advisor. During 2021, the Treasurer contracted with Government Portfolio Advisors, LLC to review the investment portfolio and assist with the portfolio strategy on a quarterly basis. The Treasurer has an Intergovernmental Investment Pool Committee that is made up of all Pool participants from the junior taxing districts within the county. This committee meets on a quarterly basis and assists in sharing information to Pool members regarding the Pool's strategy. The Treasurer's Investment Strategy Committee is made up of the Treasurer, Chief Deputy Treasurer, Finance Manager, Senior Management Analyst and Investment Officer within the Treasurer's Office. The committee meets weekly to discuss investment strategies, economic conditions, analysis of yield curve shifts, possible Federal Reserve Board actions, cash flow forecasts, and spreads on various securities. This committee also monitors the fair market value of the Pool and the Net Asset Value (NAV).

Participation in the Pool is voluntary, participants have an investment services agreement with the Treasurer outlining the roles and responsibilities of each entity. The Treasurer provides monthly fair value investment reports on a fund level to all participants through footnote disclosures. This information is based on the (NAV) of each share in the Pool relative to each fund's month-end investment balance. A share is defined as what \$1.00 invested is worth based on the market value of the portfolio's holdings. The NAV per share in the Pool is computed by dividing the total value of the securities and other assets of the Pool, less any liabilities, by the total outstanding shares of the Pool. Participants for whom the Treasurer serves as Treasurer or ex-officio Treasurer may redeem Pool shares for normal expenditure purposes on a daily basis and will receive one dollar per share for shares redeemed. Participants who are their own Treasurer are required to give one day's written notice of withdrawals from the Pool.

The use of amortized cost valuation means that the Pool's stable \$1.00 price value may vary from its market value NAV per share. In the unlikely event that the Treasurer were to determine that the extent of the deviation (set at 0.985 to 1.015 by policy) between the Pool's amortized cost per share and the market value NAV per share may result in the material dilution or other unfair results to the shareholders, the Treasurer may cause that Pool to take such action as it deems appropriate to eliminate or reduce dilutions that cause unfair results to participants. This

risk was documented in a memo to participants dated May 14th, 2019 and will be contained in all future information statements and service agreements

As of December 31, 2021, the Pool had an unrealized loss of \$6,726,789. This loss would only be realized if every investment in the Pool were immediately liquidated at that date.

An interlocal agreement is entered into with each pool participant that allows the Treasurer to invest their funds in the Pool. There are no specific, legally binding guarantees given to participants to support the value of the shares. Separate financial statements are not prepared for the Pool. Condensed financial statements are provided below:

Clark County Investment Pool (CCIP)
Condensed Statement of Net Position
12/31/2021

Assets	
Pooled Investments	\$ 1,073,962,565
Total Assets	<u>\$ 1,073,962,565</u>
Deferred Outflow of Resources	-
Liabilities	-
Deferred Inflows of Resources	-
Net Position - Assets Held in Trust for pool participants	<u>\$ 1,073,962,565</u>
Clark County Investment Pool	
External Pool	\$ 682,321,256
Internal Pool	391,576,985
Private Purpose Trust Fund	<u>64,324</u>
Total Clark County Investment Pool	<u>\$ 1,073,962,565</u>

The External pool is 63.53% of the Clark County Investment Pool

Clark County Investment Pool (CCIP)
Condensed Statement of Changes in Net Position
Year Ended December 31, 2021

Investment income (net of distributions)	\$ (2,232,615)
Net Change in Pool Investments	(18,529,270)
Net Change in Directed Investments	<u>(47,314,950)</u>
Net Increase resulting from Operations	(68,076,835)
Net Position, Beginning, restated	<u>1,142,039,400</u>
Net Position, Ending	<u>\$ 1,073,962,565</u>

Monthly gross investment yields ranged from 0.52% to 0.95% and averaged 0.67% for the year. Following is a table with information on the investment types used by the Pool, as of December 31, 2021.

Investment	Weighted	Fair Value	Amortized		Yield Ranges
	Average Maturity		Cost	Book Value	
US Sponsored Entities	849 days	\$ 292,789,546	\$ -	\$ 295,323,923	0.16% to 2.63%
US Treasury	589 days	245,945,650	-	248,101,418	0.14% to 0.73%
Supernational	628 days	65,259,250	-	66,075,404	0.17% to 1.00%
Corporate Bonds	803 days	157,494,439	-	157,000,077	0.20% to 2.70%
Municipal Bonds	613 days	120,178,385	-	121,932,868	0.22% to 2.77%
Commercial Paper	34 days	34,997,400		34,957,769	0.15% to 0.19%
Money Market	turns daily	-	15,753,745	15,753,745	0.10%
Local Government Investment Pool	turns daily	-	141,544,150	141,544,150	0.09%
Total		\$ 916,664,670	\$ 157,297,895	\$ 1,080,689,354	

Outside Investments and Deposits (Non-Pooled)

Certain fund managers or entities may direct the Treasurer to invest funds into specific investment maturities outside of the Pool. On December 31, 2021, \$54,084,240 and \$50,000 were held outside of the Pool in US Treasuries and a Certificate of Deposit, respectively.

Investments Measured at Fair Value

The Treasurer's Office measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability.

On December 31, 2021, the county had the following recurring fair value measurements as detailed below.

Fair Value Measurements Using		
Quoted Prices in	Significant	Significant
Active Markets for	Other	Unobservable

Inside Pool Investments	1/31/2021	Identical Assets (Level 1)	Observable Inputs (Level 2)	Inputs (Level 3)
<i>Investments by Fair Value</i>				
US Sponsored Entities	\$ 292,789,546	\$ -	\$ 292,789,546	\$ -
US Treasury	245,945,650	245,945,650	-	-
Supernational	65,259,250	-	65,259,250	-
Corporate Bonds	157,494,439	-	157,494,439	-
Municipal Bonds	120,178,385	-	120,178,385	-
Commercial Paper	34,997,400	-	34,997,400	-
Inside Investments at Fair Value	916,664,670	245,945,650	670,719,020	\$ -
 Investments measured at amortized costs				
Money Market	15,753,745			
Local Government Investment Pool	141,544,150			
Total measured at amortized cost	157,297,895			
 <i>Total Pooled Investments</i>	 \$ 1,073,962,565			
 Outside Pool Investments				
Investments measured at Fair Value				
US Treasury	54,084,240			
Certificate of Deposit	50,000			
Total Outside Pool Investments	\$ 54,134,240			
 Total Portfolio	 \$ 1,128,096,805			

C. Summary of Deposit and Investment Balances

Reconciliation of the County's deposits and investment balances as of December 31, 2021, is as follows:

	Government Wide	Fiduciary Funds
Cash on hand	\$ 198,970	\$ 0
Deposits with private financial institutions	5,605,797	33,737,525
Internal investment pool	391,576,985	0
External investment pool	0	682,385,580
Non-pooled investments	50,000	54,084,240

Total deposits and investments	\$	397,431,752	\$	770,207,345
Cash, cash equivalents, and pooled investments	\$	393,136,822	\$	33,404,618
Pooled investments at fair value		0		736,469,821
Deposits in trust		4,294,930		332,906
Total deposits and investments	\$	397,431,752	\$	770,207,345

NOTE 5 - PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities such as the State of Washington, cities and towns within the county, and school, fire, cemetery, library and port districts. Property taxes are recorded as receivables and deferred inflows of resources when levied. Property taxes are levied and become an enforceable lien against properties as of January 1. Levy and tax payments are payable in two installments on April 30th and October 31st. Delinquent property taxes accrue interest at twelve percent per annum and are assessed a penalty between three and eleven percent, depending on the duration of delinquency. No allowance for uncollectible taxes is established since delinquent taxes are considered fully collectible at the time of billing.

Regular property tax levies are subject to rate and amount limitations, as described below, and to uniformity requirements of Article VII, Section 1 of the State Constitution, which specifies that a taxing district must levy the same rate on similarly classified property throughout the district. Aggregate property taxes vary within the County because of its different and overlapping taxing districts.

The Washington State Constitution and Washington State law, RCW 84.55.010, limit the levy rate as follows: The Washington State constitution limits the total regular property taxes to one percent of true and fair value or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each district, except Port Districts and Public Utility Districts, is proportionately reduced until the total is at or below the one percent limit. The regular property tax increase limitation (chapter 84.55 RCW) limits the total dollar amounts of regular property taxes levied by an individual taxing district to the amount of taxes levied in the previous year multiplied by a limit factor, plus adjustments for new construction, state assessed utility value, and annexations at the previous year's rate. The limit factor is the lesser of 101 percent or 100 percent plus inflation.

In addition, statutory dollar rate limits are specified for regular property tax levy rates for most types of taxing districts under RCW 84.52.043. The County may levy up to \$1.80 per \$1,000 of assessed valuation for general governmental services. The County's regular levy for 2021 was \$0.96 per \$1,000 on assessed valuation of \$73.77 billion for a total regular levy of \$70.87 million. In addition, the County has a levy for Conservation Futures that was \$0.036 per \$1,000 of assessed valuation of \$73.77 billion, for a total levy of \$2.7 million in 2021.

The County is also authorized to levy \$2.25 per \$1,000 of assessed valuation in unincorporated areas for road construction and maintenance. This levy is subject to the same limitations as the

levy for general government services. The County's road levy for 2021 was \$1.30 per \$1,000 on an assessed valuation of \$34.01 billion for a total road levy of \$44.2 million. In 2021, the County had an additional \$0.172 per \$1,000 for metropolitan parks for a total additional levy of \$3.86 million on an assessed valuation of \$22.47 billion.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance-restated	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 352,137,469	\$ 10,082,963	\$ 11,554	\$ 362,208,878
Infrastructure*	778,687,719	18,165,205	-	\$ 796,852,924
Intangible assets - easements	190,556	-	-	190,556
Construction in progress-restated	18,299,017	14,794,691	13,048,985	20,044,723
Total capital assets, not being depreciated/amortized	<u>1,149,314,761</u>	<u>43,042,859</u>	<u>13,060,539</u>	<u>1,179,297,081</u>
Capital assets, being depreciated/amortized:				
Buildings	148,524,424	-	-	148,524,424
Improvements other than buildings	107,656,373	501,231	129,353	108,028,251
Machinery and equipment	63,493,459	2,935,261	1,518,838	64,909,882
Intangible assets - software	38,036,848	1,629,944	638,380	39,028,412
Intangible assets - RTU, restated**	2,647,834	421,560	-	3,069,394
Infrastructure	22,331,169	4,166	-	22,335,335
Total capital assets being depreciated/ amortized	<u>382,690,107</u>	<u>5,492,162</u>	<u>2,286,571</u>	<u>385,895,698</u>
Less accumulated depreciation/amortization for:				
Buildings	79,633,708	2,349,422	-	81,983,130
Improvements other than buildings	56,603,549	2,937,297	87,313	59,453,533
Machinery and equipment	38,198,581	3,541,537	1,258,926	40,481,192
Intangible assets - software	23,279,195	2,321,449	638,380	24,962,264
Intangible assets - RTU**	-	676,503	-	676,503
Infrastructure*	6,201,463	451,063	-	6,652,526
Total accumulated depreciation/amortization	<u>203,916,496</u>	<u>12,277,271</u>	<u>1,984,619</u>	<u>214,209,148</u>
Total capital assets, being depreciated/amortized, net	178,773,611	(6,785,109)	301,952	171,686,550
Governmental activities capital assets, net	<u>\$ 1,328,088,372</u>	<u>\$ 36,257,750</u>	<u>\$ 13,362,491</u>	<u>\$ 1,350,983,631</u>
Depreciation/amortization expense was charged to functions as follows:				
General governmental services			\$ 4,090,673	
Public safety			529,705	
Transportation			504,884	
Natural and Economic Environment			647,006	
Health and human services			922,166	
Culture and recreation			2,248,538	
			<u>8,942,972</u>	
Depreciation/amortization on capital assets held by the County's internal service funds is charged to various functions based upon their usage.			3,334,299	
Total governmental activities depreciation/amortization expense			<u>\$ 12,277,271</u>	

* In 2018 the County began reporting road infrastructure assets using the modified approach. The County roads are currently reported as capital assets not being depreciated at a net value which includes depreciation expenses accumulated prior to 2018.

Bridges were depreciated prior to 2003 and 2017-2018. From 2003 to 2016 and after 2018 the County reported bridges using the modified approach at a net value which includes depreciation expenses accumulated prior to 2019.
**Implementation GASB87, Leases.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 43,487,027	\$ 164,536	\$ -	\$ 43,651,563
Construction in progress	274,246	376,903	356,841	294,308
Infrastructure*	73,447,240	1,856,529	197,336	75,106,433
Total capital assets, not being depreciated/amortized	117,208,513	2,397,968	554,177	119,052,304
Capital assets, being depreciated/amortized:				
Buildings	1,741,378	-	-	1,741,378
Improvements other than buildings	891,412	-	-	891,412
Machinery and equipment	540,431	-	237,063	303,368
Infrastructure	944,358	-	-	944,358
Total capital assets being depreciated/amortized	4,117,579	-	237,063	3,880,516
Less accumulated depreciation/amortization for:				
Buildings	1,358,946	10,903	-	1,369,849
Improvements other than buildings-restatement	533,157	17,608	-	550,765
Machinery and equipment	484,175	1,740	213,358	272,557
Infrastructure*	259,053	21,248	-	280,301
Total accumulated depreciation/amortization	2,635,331	51,498	213,358	2,473,472
Total capital assets, being depreciated/ amortized, net	1,482,248	(51,498)	23,705	1,407,044
Business-type activities capital assets, net	<u>\$ 118,690,761</u>	<u>\$ 2,346,470</u>	<u>\$ 577,882</u>	<u>\$ 120,459,348</u>

Depreciation/amortization expense was charged to functions as follows:

Golf Course	\$ 32,151
Sanitary Sewer	-
Solid Waste	17,608
Clean Water	1,740
Total business-type activities depreciation/amortization expense	<u>\$ 51,498</u>

* Storm Water facilities were depreciated prior to 2003 and 2017-2018. From 2003 to 2016 and after 2018 the County reported these facilities using the modified approach at a net value which includes depreciation expenses accumulated prior to 2019.

NOTE 7 – RECEIVABLE BALANCES

Accounts receivable as of December 31, 2021 for the County's individual major funds, non-major funds and internal service funds are shown in the following table.

	Taxes/Special Assessments Receivable	Accounts Receivable	Leases Receivable	Due from other Governments	Total
Governmental Activities					
General Fund	\$ 14,871,484	\$ 6,029,110	\$ -	\$ 4,060,246	24,960,840
Development Impact Fees	-	3	-	-	3
County Roads	1,625,350	58,948	-	1,333,896	3,018,194
Community Service Grants	-	456,729	-	6,714,775	7,171,504
Campus Development	3	37,802	14,911,053	2,042	14,950,900
Nonmajor Governmental	3,500,875	417,350	6,685,457	7,318,722	17,922,404
Internal Service	-	1,075,541	656,528	1,475,115	3,207,184
Government-Wide Adjustment for long term receivables	-	-	-	62,579	62,579
Total Governmental Activities	\$ 19,997,712	\$ 8,075,483	\$ 22,253,038	\$ 20,967,375	\$ 71,293,608
Business-Type Activities					

Clean Water	182,462	4,318	-	227,111	413,891
Nonmajor Enterprise	-	394,102	-	21,662	415,764
Total Business-Type Activities	\$ 182,462	\$ 398,420	\$ -	\$ 248,773	\$ 829,655
Total Gross Receivables	\$ 20,180,174	\$ 8,473,903	\$ 22,253,038	\$ 21,216,148	\$ 72,123,263

NOTE 8 - INTERFUND BALANCES AND TRANSFERS

Interfund transactions (receivables and payables) usually involve the exchange of goods and services between funds in a normal business relationship. These accounts are generally paid in full the month following the billing date. The composition of interfund accounts receivables at December 31, 2021 is shown in the following table.

Due to These Funds	Due From These Funds									Total
	General Fund	County Roads	Comm. Svc. Grants	Campus Development	American Rescue Plan	Other Governmental	Clean Water	Other Enterprise	Internal Service	
General Fund		296,836	75,584			558,412	12,469	25,925	1,689,696	2,658,922
County Roads	9,555					24,814			186,257	220,625
Community Svc. Grants	19					25,755				25,774
American Rescue Plan	2,799,170		4,589							2,803,760
Development Impact Fees		577,279				87,514				664,793
Other Governmental	25,137	442,128	31,151	6,411	2,340	223,694			356,335	1,087,197
Clean Water	75	231,601							4,110	235,786
Other Enterprise	502	184,637				68,357	1,367		1,190	256,053
Internal Service	211,291	425,636				512			33,535	670,974
Total	3,045,749	2,158,117	111,324	6,411	2,340	989,058	13,836	25,925	2,271,126	8,623,884

The General Fund also issues short-term interfund loans (funded by the permanent reserve) to several non-major funds, in order to provide liquidity. Permanent reserve within the General Fund is operating similar to a line of credit (up to \$5.0 million). Outstanding balances are charged interest at a floating rate based on the County's line of credit rate.

Interfund transfers represent subsidies, reimbursement for capital project costs and contributions with no corresponding debt or promise to repay. The purpose of General Fund transfers is to subsidize operating activities within other funds, to fund capital project activities, and for debt service. Interfund transfers from other funds are generally for debt service or for capital projects being managed by other funds. Interfund transfers during the year ended December 31, 2021 are as follows:

Transfers In to these funds	Transfers Out of these funds								Total
	General Fund	County Roads	Campus Development	American Rescue Plan	Dev. Impact Fees	Other Governmental	Clean Water	Non-Major Enterprise	
General Fund				2,783,116		4,655,076			\$ 7,438,192
County Roads					2,972,244	3,809,870			\$ 6,782,114
Comm. Services Grants	1,688,286								\$ 1,688,286
Other Governmental	5,809,110	2,108,580	955,176		230,436	13,475,632	300,000	150,000	\$ 23,028,935
Internal Service	26,672,632		27,119			451,196		45,000	\$ 27,195,947
Total	\$ 34,170,028	\$ 2,108,580	\$ 982,295	\$ 2,783,116	\$ 3,202,680	\$ 22,391,774	\$ 300,000	\$ 195,000	\$ 66,133,474

- The County Road fund received \$2.9 million from Impact Fee Capital Project funds, which is a typical source of funding for road projects.
- The Debt Service fund received \$4.7 million from the REET Capital Improvement fund and \$2.1 million from the County Road fund for debt service payments.
- Other governmental fund transfers in include \$5.8 million from the general fund, \$2.1 million from the County Road fund and \$4.8 million from the Mental Health Sales Tax fund.

NOTE 9 – LEASES

A. County as Lessee

The County is committed under various leases for buildings (office space and storage) and equipment (copiers). At December 31, 2021, the County has eight lessee financing leases in which it is acting as Lessee. Under GASB 87, an implicit interest rate is calculated for each individual lease using the internal rate of return method. That method measures cash flow as well as actual beginning and projected ending FMV of the underlying asset. The present value of the leases are aggregated on a fund basis. Proprietary funds record lessee leases on the fund level Statement of Net Position and are rolled into the government-wide one. Governmental funds show lessee leases in the government-wide Statement of Net Position governmental activities only.

The County capitalization threshold is \$25K and the lease must be longer than one year including possible extension(s). The threshold is measured as the present value (PV) of the lease payments using the individual implicit interest rate applicable. The eight building leases qualify as financing leases under GASB 87, while the copier leases do not. GASB 87 was implemented on 1/1/2021.

The right-to-use (RTU) intangible capital assets associated with the lessee leases comprise buildings used for office space and storage:

	Beginning Balance	Increase	Decreases	Ending Balance
Governmental Activities				
Capital assets being amortized				
RTU Buildings	2,647,834	421,560	-	3,069,394
Total	<u>\$ 2,647,834</u>	<u>\$ 421,560</u>	<u>\$ -</u>	<u>\$ 3,069,394</u>
Less accumulated amortization for:				
RTU Buildings	-	676,503	-	676,503
Total	<u>\$ -</u>	<u>\$ 676,503</u>	<u>-</u>	<u>\$ 676,503</u>

The County's schedule of future minimum payments for these financing lease liabilities is as follows:

Leases Payable

	Governmental Activities		
	Principal	Interest	Total Requirements
December 31:			
2022	598,040	233,737	831,777
2023	584,115	182,661	766,776
2024	348,402	134,573	482,975
2025	173,568	108,285	281,853
2026	166,815	82,711	249,526

2027-2031	631,413	150,969	782,382
Total	<u>\$ 2,502,353</u>	<u>\$ 892,936</u>	<u>\$ 3,395,289</u>

Notes:

The weighted-average remaining lease term is 5.4 years.

The weighted-average discount rate is 10.79%.

B. County as Lessor

At December 31, 2021, the County has 13 lease receivables in which it is acting as Lessor. Under GASB 87, an implicit interest rate is calculated for each individual lease using the internal rate of return method. The present value of the leases are aggregated on a fund basis. All funds record lessee receivables on the fund level Statement of Net Position (Balance Sheet for the governmental funds), and are rolled into the government-wide Statement of Net Position.

The Center For Community Health Building: Houses external tenants (comprising seven leases) and two county departments delivering health and human services to veterans and lower-income individuals and families. The County owns the building, but the underlying land is leased from the US Department of Veteran Affairs (VA) for 75 years (through 2081) through an Enhanced Use Lease (EUL) arrangement. At the end of the 75 years, the property must be returned to the VA in its original condition. Most of the leases are for 25-30 years in length inclusive of extension options that we believe will be exercised. There are two active full-payment tenant leases with the VA, with the fourth floor of the building reserved for future VA use as needed per the EUL, for no charge. The external leases have a combined lease receivable present value (PV) balance of \$14.5 million as of year-end.

The Clark County Amphitheater: Is a lessee constructed outdoor event facility that opened in 2005. Ownership was transferred to the County upon completion, with the lessee holding a leasehold interest. The financing lease is 45 years inclusive of extensions that we believe will be exercised. The financing lease receivable PV balance is \$6.7 million as of year-end.

County Jail Work Center Facility: Twenty percent of this building was leased to Lifeline Connections Crisis Wellness Center in 2020 for delivering crisis stabilization and detox services to County residents using overnight and short-term stays. The lease is 10 years including extensions that we believe will be exercised. The financing lease receivable PV balance is \$1.0 million at year-end.

The Dolle Building: Provides office space to smaller businesses and non-profits, generally as year-to-year operating leases. However, there are four financing leases as they have terms greater than one year. The combined financing lease receivable PV balance is \$0.4 million as of year-end.

The County's schedule of future receipts included in the measurement of the lease receivables is as follows:

Lease Receivables

Governmental Activities

	Principal	Interest	Total Requirements
December 31:			
2022	\$ 658,178	\$ 2,321,381	\$ 2,979,559
2023	746,229	2,243,034	2,989,263
2024	797,091	2,154,774	2,951,865
2025	785,938	2,066,698	2,852,636
2026	877,546	1,972,147	2,849,693
2027-2031	5,794,718	7,966,612	13,761,330
2032-3036	7,499,299	3,744,719	11,244,018
2037-2041	1,785,614	1,412,358	3,197,972
2042-2046	2,549,285	700,715	3,250,000
2047-2051	618,714	31,286	650,000
Total	\$ 22,112,612	\$ 24,613,724	\$ 46,726,336

Notes:

The weighted-average remaining lease term is 17.4 years.
 The weighted-average discount rate is 11.46%.

NOTE 10- LONG-TERM DEBT

A. General Obligation Bonds

General obligation bonds are direct debt obligations that pledge the full faith and credit of the government issuing the debt. These bonds are generally issued as 20-year serial bonds with equal amounts of principal maturing each year.

Public Placement Bonds

The County issues public placement general obligation (G.O) bonds to provide funds for the acquisition and construction of major capital facilities. Public placement of G.O. bonds have also been issued for governmental activities. The beginning balance of unmatured debt in 2021 was \$41,605,000. During 2021, bonds were paid down by \$2,810,000.

No assets are pledged as collateral for these public placement bonds. If the bonds are not paid by the maturity date, then interest will continue to be paid at the original rate until both principal and interest are paid in full.

Currently outstanding public placement general obligation bonds are as follows:

Bond Series	Original Amount	Description	Amount Outstanding
2012 Limited Tax General Obligation (LTGO) Refunding	\$ 45,595,000	Bonds are due in annual installments of \$1,115,000 to \$3,815,000 through 2034, with interest from 2.75% to 5.250%. This issue is serviced by the following funds: Real Estate Excise Tax, Campus Development, Exhibition Hall Dedicated Revenue, Conservation Future, and the General. This issue refunded portions of the 2003A and 2004A LTGO issues. After 2021 the bonds may be redeemed prior to maturity at par plus accrued interest to the date fixed for redemption.	\$ 28,670,000
2014B LTGO Refunding	5,010,000	These bonds are due in annual installments of \$180,000 to \$350,000 through 2035, with interest rates ranging from .85% to 4.4%. This issue is being serviced by the following funds: Real Estate Excise Tax and the Campus Development. This issue refunded a portion of the 2005B LTGO issue. After 2024 the bonds may be redeemed prior to maturity at par plus accrued interest to the date fixed for redemption.	3,770,000
2018 LTGO	6,355,000	These bonds are due in annual installments of \$250,000 to \$510,000 through 2038, with interest rates ranging from 4% to 5%. This issue is being serviced by the Conservation Futures Fund. After 2027 the bonds may be redeemed prior to maturity at par plus accrued interest to the date fixed for redemption.	6,355,000
Totals	\$ 56,960,000		\$ 38,795,000

Annual debt service requirements to maturity for these Limited Tax General Obligation (LTGO) issuances are as follows:

Public Placement General Obligation Bonds		
Year Ending December 31	Principal	Interest
2022	3,215,000	1,673,033
2023	3,475,000	1,547,855
2024	4,310,000	1,377,975
2025	3,830,000	1,165,995
2026	4,080,000	995,825
2027-2031	11,620,000	2,846,423
2032-2036	7,260,000	882,808
2037-2038	1,005,000	60,600
Totals	\$ 38,795,000	\$ 10,550,514

Direct Placement Bonds

The County issued direct placement G.O. bonds to provide funds for the acquisition and construction of major capital facilities. The beginning balance of unmatured debt in 2021 was \$18,308,000. In 2021, these bonds were paid down by \$2,935,000 through principal amounts maturing.

Currently outstanding direct placement G.O. bonds are as follows:

Bond Series	Original Amount	Description	Amount Outstanding
2017 LTGO Refunding	\$ 23,965,000	These bonds are due in annual installments of \$2,795,000 to \$3,235,000 through 2026, at an interest rate of 2.06%. This issue is serviced by the following funds: Real Estate Excise Tax, Campus Development, and the General Fund. This issue refunded a portion of the 2006 LTGO issue. Upon default, interest rates increased to 10% per annum. No assets are pledged as collateral.	\$ 15,370,000
		Total	\$ 15,370,000

Annual debt service requirements to maturity for these bonds are as follows:

Direct Placement General Obligation Bonds			
Year Ending December 31	<u>Principal</u>	<u>Interest</u>	
2022	3,005,000	285,671	
2023	3,085,000	222,944	
2024	3,155,000	158,672	
2025	3,235,000	92,855	
2026	2,890,000	29,767	
Totals	\$ 15,370,000	\$ 789,909	

B. Advances Due to Other Governments

The county has ten low-interest (.5%) loans from the State of Washington Department of Commerce Public Works Trust Fund. These loans must be repaid within 20 years in annual installments on each loan ranging from \$47,368 to \$592,586. All Public Works Trust Funds loans issued in 2002 and two loans issued in 2003, will incur a rate increase to 12% per annum upon default while all other Public Works Trust Funds have a late penalty of 1% per month, or up to 12% per annum. No assets are pledged as collateral. Should the 2002 Public Works Trust Fund Loans default, the entire remaining balance, with interest, may be declared due and payable immediately. The funds from these loans were used for county road projects. These loans will be paid back by the County Road Fund.

The County also has a loan with an interest rate of 2.9175% from the State Department of Ecology (DOE). This loan must be repaid within 20 years of issuance in annual installments of \$26,947. This loan is a revenue-secured debt of the County's utility. This loan was fully repaid in 2021. The funds from this loan were used for a Habitat Protection and Runoff Control Project on Upper Whipple Creek.

All of these loans are classified as direct placement debt.

Advances Due to Other Governments for debt service requirements to maturity are as follows:

Direct Placement Governmental Activities				
Year Ending December 31		Principal		Interest
2022	\$	2,040,875	\$	57,501
2023		1,587,834		47,297
2024		1,510,646		39,357
2025		1,145,766		31,804
2026		4,622,470		26,075
2027-2031		592,586		52,742
Totals		\$ 11,500,177		\$ 254,776

C. Other Financing Arrangements

The County entered into an agreement in 2008 for financing energy, plumbing and lighting savings improvements in various buildings, with an interest rate of 4.19%. The agreement was renegotiated in February 2018 with an interest rate of 2.75%. The assets and related obligations are accounted for in the Statement of Net Position. The cost of the assets total \$7,738,718 and are being depreciated. Title to the assets transfers to the County when the final payment is made. The agreement has no termination provisions.

Other Financing Arrangements			
Governmental Activities			
Year Ending December 31	Principal	Interest	Total
2022	551,098	96,492	647,590
2023	566,445	81,145	647,590
2024	582,220	65,370	647,590
2025	598,434	49,156	647,590
2026	615,100	32,490	647,590
2027-2028	846,866	16,590	863,456
	3,760,163	341,243	4,101,406

D. Arbitrage Rebate Liability

The Tax Recovery Act of 1986 established regulations for the rebate of arbitrage earnings to the federal government on certain local government bonds. Issuing governments must calculate and remit annually any rebate due at least every five years. The County has a cumulative negative rebate amount for its bonds. No liability was recorded as of December 31, 2021.

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

The following is a summary of the county's long-term debt transactions for the year ending December 31, 2021:

	Beginning Balance Restated	New Issues	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Governmental Funds-					
Bonds payable - public offerings					
General obligation bonds	\$ 41,605,000	\$ -	\$ 2,810,000	\$ 38,795,000	\$ 3,215,000
Unamortized amounts:					
For issuance premiums	4,818,814	-	328,572	4,490,242	328,571
Bonds payable - direct placements	18,305,000	-	2,935,000	15,370,000	3,005,000
Total bonds payable	64,728,814	-	6,073,572	58,655,242	6,548,571
Private placement financing arrangement	4,296,328	-	536,165	3,760,163	551,098
Asset retirement obligation**	3,611,521	6,854	-	3,618,375	-
Leases payable	1,398,518	421,560	269,108	1,550,970	275,319
Advances due to other governments	13,541,052	-	2,040,875	11,500,177	2,040,875
Pollution remediation liability**	3,263,824	2,530,846	-	5,794,670	563,790
Total OPEB Liability	25,358,872	866,596	-	26,225,468	1,160,362
Net Pension liability	31,252,951	-	23,540,547	7,712,404	-
Claims and judgments*	113,637	727	-	114,364	114,364
Compensated absences	14,738,551	13,481,029	14,119,224	14,100,356	1,471,993
Total Governmental Funds	162,304,068	17,307,612	46,579,491	133,032,189	12,726,372
Internal Service Funds					
Claims and judgments	9,841,371	929,364	583,577	10,187,158	2,817,120
Contracts Payable	435,925	-	58,050	377,875	50,522
Leases payable	1,249,316	-	297,933	951,383	322,721
Asset retirement obligation	880,000	-	-	880,000	-
Total OPEB Liability	84,315	34,689	9,277	109,727	6,689
Net Pension liability	2,176,013	-	1,738,640	437,373	-
Compensated absences	724,269	703,583	754,809	673,043	70,472
Total Internal Service Funds	15,391,209	1,667,636	3,442,286	13,616,559	3,267,524
Total Governmental Activities	\$ 177,695,277	\$ 18,975,248	\$ 50,021,777	\$ 146,648,748	\$ 15,993,896
Business-type activities					
Advance due to other governments	\$ 271,176	\$ -	\$ 271,176	\$ -	\$ -
Contracts Payable	736,888	-	125,006	611,882	-
Total OPEB Liability	50,138	21,372	4,109	67,401	4,109
Net Pension liability	1,165,845	-	928,173	237,672	-
Compensated absences	411,281	434,668	401,289	444,660	19,735

Total Business-type Activities	\$ 2,635,328	\$ 456,040	\$ 1,729,753	\$ 1,361,615	\$ 23,844
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* Claims and judgments are included in the Governmental Fund Financial Statements, as well as government-wide statements.

**Prior Period amounts have been restated from \$535,065 to \$3,611,521 due to the addition of asset retirement obligations for mining operations and \$915,205 removal of pollution remediation obligation. See Note 23B for more information.

Claims, judgments and compensated absences are generally paid for by the General Fund for governmental activities.

The County is limited to a non-voted debt capacity of 1.5% and a voted debt capacity of 2.5% of assessed valuation. At December 31, 2021 the remaining non-voted debt capacity was \$1,213,443,508 and the remaining voted and non-voted capacity was \$2,033,009,204.

NOTE 12 – FUND BALANCES, GOVERNMENTAL FUNDS

Note 1 section E subsection 13 addresses definitions of fund balance classifications and the County's policy on the order of resource uses for Governmental Funds. Following is a table which shows detail information by fund balance classification for the Governmental Fund Balance Sheet.

GOVERNMENTAL FUND BALANCES

	General Fund	County Roads	Community Services Grants	American Rescue Plan	Campus Development	Development Impact Fees	Other Government Funds
Nonspendable							
Prepays	1,728,054	40,990	-	515,424	-	-	155,823
Inventories	2,090	1,854,742	-	-	-	-	1,172
Total nonspendable	1,730,144	1,895,732	-	515,424	-	-	156,995
Restricted For:							
<i>General Government:</i>							
Crime victim compensation	-	-	-	-	-	-	30,014
Anti-profiteering program	-	-	-	-	-	-	37,712
Legislative/administrative support	-	-	-	-	-	-	1,632,677
Facilities maintenance	-	-	-	-	808,586	-	-
<i>Public safety:</i>							
Drug enforcement	-	-	-	-	-	-	777,904
Emergency communications	-	-	-	-	-	-	1,354,805
Law enforcement	-	-	-	-	-	-	51,466
<i>Physical environment:</i>							
Pollution remediation	-	-	-	-	-	-	12,226,383
<i>Transportation:</i>							
Road projects & operations	-	25,959,317	-	-	-	13,036,504	-
<i>Economic environment:</i>							
Affordable housing	-	-	25,001,317	-	-	-	767,873
Legislative/administrative support	-	-	1,872,273	-	-	-	-
Weatherization & energy efficiency	-	-	799,610	-	-	-	-
Community action programs	-	-	553,460	-	-	-	-
Tourism promotion	-	-	-	-	-	-	230,975
Veteran's assistance	-	-	-	-	-	-	735,175
Industrial development financing	-	-	-	-	-	-	20,469
Developmental disability programs	-	-	-	-	-	-	1,330,610
Economic Development	-	-	-	-	-	-	29,051,105
<i>Health and human services:</i>							
Mental health programs	-	-	-	-	-	-	20,482,769
Substance abuse programs	-	-	-	-	-	-	2,578,136
Public and environmental health programs	-	-	-	-	-	-	5,995,154
Child abuse prevention program	-	-	-	-	-	-	285,345

<i>Cultural/recreational:</i>							
Youth services	-	-	912,601	-	-	-	-
Law Library	-	-	-	-	-	-	309,727
Parks capital and operations	-	-	-	-	-	4,316,159	20,770,410
Parks acquisition & development	-	-	-	-	-	26,176,280	2,143,465
Camp Bonneville cleanup & development	-	-	-	-	-	-	2,921,055
<i>Debt service</i>	-	-	-	-	-	-	9,530,126
							113,263,355
Total restricted	-	25,959,317	29,139,261	-	808,586	43,528,943	

GOVERNMENTAL FUND BALANCES - continued

	General Fund	County Roads	Community Services Grants	American Rescue Plan	Campus Development	Development Impact Fees	Other Government Funds
Committed For:							
Construction inspection/permitting	-	-	-	-	-	-	10,572,850
Total committed	-	-	-	-	-	-	10,572,850
Assigned for:							
<i>General Govt:</i>							
Facilities maintenance		-	-	-	1,744,156	-	-
Techonology Projects		-	-	-	-	-	1,118,470
County wide projects	8,908,007	-	-	-	-	-	-
<i>Public safety</i>							
Law enforcement		-	-	-	-	-	136,850
<i>Economic environment:</i>							
Construction/permitting operating & capital		-	-	-	-	-	1,125,148
Economic stabilization		-	-	-	-	-	-
Developmental disability programs	-	-	-	-	-	-	-
Local revitalization financing	-	-	-	-	-	-	806,201
Veteran's services	-	-	-	-	-	-	-
<i>Health and human services:</i>							
Substance abuse programs	-	-	-	-	-	-	-
Public and environmental health programs	-	-	-	-	-	-	-
<i>Culture/recreation:</i>							
Parks capital and operations	-	-	-	-	-	-	2,359
Fair and event center operations	-	-	-	-	-	-	845,025
Compensated absences	2,460,591	363,532	131,157	-	-	-	536,935
Total assigned	11,368,598	363,532	131,157	-	1,744,156	-	4,570,988
Unassigned:	44,219,189	-	-	(446,601)	-	-	-
Total	57,317,932	28,218,581	29,270,418	68,822	2,552,742	43,528,943	128,564,187

NOTE 13 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2021:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ 8,387,447
Pension assets	107,114,826
Deferred outflows of resources	11,862,492
Deferred inflows of resources	99,683,475
Pension expense/expenditures	(23,407,678)

State Sponsored Pension Plans

Substantially all County full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems
 Communications Unit
 P.O. Box 48380
 Olympia, WA 98540-8380

Or the DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees’ Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member’s average final compensation (AFC) times the member’s years of service. The AFC is the average of the member’s 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee
January-June 2021:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	

Administrative Fee	0.18%	
Total	12.97%	6.00%
July-December 2021:		
PERS Plan 1	10.07%	6.00%
Administrative Fee	0.18%	
Total	10.25%	6.00%

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member’s average final compensation (AFC) times the member’s years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member’s 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative

expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2
January-June 2021:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.97%	7.90%
July-December 2021:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	10.25%	6.36%

Clark County's actual PERS plan contributions were \$4,617,696 to PERS Plan 1 and \$6,948,245 to PERS Plan 2/3 for the year ended December 31, 2021.

Public Safety Employees' Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, an employee must work on a full time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006; and
- Employees hired on or after July 1, 2006, by a covered employer, that meet at least one of the PSERS eligibility criteria.

PSERS covered employers include:

- Certain State of Washington agencies (Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor and Cannabis Board, Parks and Recreation Commission, and Washington State Patrol),
- Washington State Counties,

- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions

The **PSERS Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2021 were as follows:

PSERS		
Actual Contribution Rates:	Employer	Employee
January-June 2021:		
PSERS Plan 2	7.20%	7.20%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	12.25%	7.20%
July-December 2021:		
PSERS Plan 2	6.50%	6.50%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Total	10.39%	6.50%

The County's actual plan contributions were \$621,008 to PSERS Plan 2 for the year ended December 31, 2021.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2021. Employers paid only the administrative expense of 0.18 percent of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate includes an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2021.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
January - June 2021:		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
Total	5.33%	8.59%
Ports and Universities	8.59%	8.59%
Administrative Fee	0.18%	
Total	8.77%	8.59%
July-December 2021		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%
Ports and Universities	8.53%	8.53%
Administrative Fee	0.18%	
Total	8.71%	8.53%

Clark County's actual contributions to the plan were \$761,469 for the year ended December 31, 2021.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2021, the state contributed \$78,170,320 to LEOFF Plan 2. The amount recognized by Clark County as its proportionate share of this amount is \$470,957.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each

system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

There were no changes in assumptions since the last valuation. There were changes in methods since the last valuation.

- For purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.
- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	100%	

Sensitivity of the Net Pension Liability/ (Asset)

The table below presents Clark County's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease 6.40%	Current Discount. Rate 7.40%	1% Increase 8.40%
PERS 1	\$ 14,288,490	\$ 8,387,447	\$ 3,241,131
PERS 2/3	(22,659,902)	(79,541,754)	(126,383,985)
PSERS 2	(474,804)	(3,028,429)	(5,049,499)
LEOFF 1	(2,946,523)	(3,272,953)	(3,555,371)
LEOFF 2	(13,413,943)	(21,271,690)	(27,705,617)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the County reported its proportionate share of the net pension liabilities (assets) as follows:

	Liability (or Asset)
PERS 1	\$ 8,387,447
PERS 2/3	(79,541,754)
PSERS 2	(3,028,429)
LEOFF 1	(3,272,953)
LEOFF 2	(21,271,690)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the County. The amount recognized by the County as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the County were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
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LEOFF - employer's proportionate share	\$ (3,272,953)	\$ (21,271,690)
LEOFF - State's proportionate share of the net pension asset associated with the employer	(22,138,174)	(13,722,562)
Total	\$ (25,411,127)	\$ (34,994,252)

At June 30, the County's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/20	Proportionate Share 6/30/21	Change in Proportion
PERS 1	0.68691%	0.68680%	-0.00011%
PERS 2/3	0.80873%	0.79848%	-0.01025%
PSERS 2	1.39673%	1.31820%	-0.07852%
LEOFF 1	0.09540%	0.09555%	-0.00015%
LEOFF 2	0.37005%	0.36622%	-0.00382%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2021 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Non-employer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2021. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12 percent of LEOFF 1 employer contributions, and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2021, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61 percent of employer contributions.

Pension Expense

For the year ended December 31, 2021, the County recognized pension expense as follows:

Pension Expense	
PERS 1	\$ (1,576,389)
PERS 2/3	(18,645,512)
PSERS 2	(125,052)
LEOFF 1	(490,165)
LEOFF 2	(2,570,560)
Total	\$ (23,407,678)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (9,307,259)
Contributions subsequent to the measurement date	2,026,050	-

Total	\$ 2,026,050	\$ (9,307,259)
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PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,863,228	\$ (975,105)
Net difference between projected and actual investment earnings on pension plan investments	-	(66,478,249)
Changes of assumptions	116,236	(5,648,781)
Changes in proportion and differences between contributions and proportionate share of contributions		(2,364,406)
Contributions subsequent to the measurement date	3,127,177	-
Total	\$ 7,106,641	\$ (75,466,541)

PSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 310,755	\$ (11,969)
Net difference between projected and actual investment earnings on pension plan investments	-	(2,169,272)
Changes of assumptions	471	(309,666)
Changes in proportion and differences between contributions and proportionate share of contributions	5,186	(57,564)
Contributions subsequent to the measurement date	304,153	-
Total	\$ 620,565	\$ (2,548,471)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (1,000,089)
Total	\$ -	\$ (1,000,089)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 964,803	(112,419)
Net difference between projected and actual investment earnings on pension plan investments	-	(10,142,495)
Changes of assumptions	9,195	(1,011,683)
Changes in proportion and differences between contributions and proportionate share of contributions	758,060	(94,518)
Contributions subsequent to the measurement date	377,178	-
Total	\$ 2,109,236	(11,361,115)

TOTAL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,138,786	(1,099,493)
Net difference between projected and actual investment earnings on pension plan investments	-	(89,097,364)
Changes of assumptions	125,902	(6,970,130)
Changes in proportion and differences between contributions and proportionate share of contributions	763,246	(2,516,488)
Contributions subsequent to the measurement date	5,834,558	-
Total	\$ 11,862,492	(99,683,475)

Deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	PERS 1	PERS 2/3	PSERS 2	LEOFF 1	LEOFF 2
2022	(2,465,494)	(18,786,425)	(571,455)	(265,659)	(2,626,369)
2023	(2,259,290)	(17,592,029)	(544,019)	(242,994)	(2,441,890)
2024	(2,136,250)	(16,754,610)	(516,511)	(229,288)	(2,302,508)

2025	(2,446,225)	(17,895,960)	(572,445)	(262,148)	(2,602,666)
2026	-	(449,388)	(9,073)		42,266
Thereafter	-	(8,665)	(18,556)		302,110

NOTE 14 – DEFERRED COMPENSATION PLAN

The County maintains an Internal Revenue Code (IRC) Section 457 plan for all permanent employees. Section 457 requires that the assets and income of the plans be held in trust for the exclusive benefit of participants and their beneficiaries. Monthly contributions to the plan are deducted from the wages of employees who choose to participate as prescribed by federal law and regulations. The contributions are deposited with a third party in the County's name and in trust on behalf of the County's employees.

The County adopted Governmental Accounting Standard Board Statement No.32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The County has little administrative involvement and does not perform investing functions for this plan, therefore, this plan is not shown in the County's financial statements.

As of December 31, 2021, the County had 662 active participants in 457 plans and a total of 1,283 accounts, having accumulated deposits with a fair value of \$130,719,262. The County contracts with a sole provider in order to reduce the cost of participation to employees, provide better fund options, and improve service with more financial planning meetings.

NOTE 15 – OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS

The following table represents the aggregate other postemployment benefits other than pension amounts for the County's Single Employer plan subject to the requirements of the GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* for the year 2021:

Aggregate OPEB Amounts	
OPEB Liabilities	\$ 26,402,596
Deferred Outflows of Resources - OPEB	1,267,068
Deferred Inflows of Resources - OPEB	11,168
OPEB expense / expenditures	1,567,347

Plan Description

In addition to providing pension benefits, the County has elected to administer health care benefits under two single-employer defined benefit plans to the retirees of the County; one for *Law Enforcement Officers' & Fire Fighters' Retirement* (LEOFF 1) (see note 16.B.) and the second OPEB plan for all other retirees (PERS and LEOFF 2) (see note 16 A.). There are no stand-alone financial reports produced for the OPEB plans.

The County did not establish an irrevocable trust (or equivalent arrangement) to account for either plan. Instead, the activities of the plans are reported in the County's benefits service account. The following describes each plan separately.

A. Retired PERS and LEOFF 2 Employees

Plan Description

The County has elected to provide certain public employee groups with a single-employer defined benefit retiree healthcare plan. The healthcare plan provides post-retirement medical and vision coverage for eligible retirees, their spouses, domestic partners, and dependents on a self-pay basis. The County establishes the benefit provisions and the premium rates are set by the health insurance carrier, plus a 2% administration fee. Eligible participants may select from one of the County's two healthcare plans, a self-insured plan administered by Regence Blue Cross or the Kaiser HMO plan. The benefits provided to retirees under age 65 is generally less than the coverage provided to employees. Coverage under these plans is provided to retirees, spouses, and domestic partners. Dependent children are covered until age 26. Each health insurance carrier offers a health plan for retirees who are eligible for Medicare.

The premium rates for eligible retirees and their dependents (other than Kaiser's Senior Advantage) are based on the experience of all plan members, including both active employees and retirees. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the County's implicit employer contribution.

The premium rates for the Kaiser Senior Advantage are based on a "community rated" Medicare supplemental healthcare program and are assumed to generate no implicit employer contribution.

At December 31, 2021, the following employees were covered by the benefit terms:

	Total
Active Employees	1,618
Inactive Employees or Beneficiaries currently receiving benefits	22
Inactive Employees entitled to but not yet receiving benefit payments	7
	<hr/> 1,647 <hr/>

Contributions

The County has authority to establish and amend contribution requirements. Contributions are based on the projected pay-as-you-go financing requirements with no assets accumulating in a qualified trust. For the fiscal year ending December 31, 2021, the County's implicit subsidy contributions were \$101,219.

Actuarial Assumptions

The total OPEB liability (TOL) of \$2,337,565 was measured as of December 31, 2021, and was determined using the most recent actuarial valuation as of December 31, 2021, which was based on the Entry Age Normal Level Percent of Pay method. The TOL was calculated as of the valuation date, using a discount rate of 2.06%, which is the 20-year General Bond Obligation Municipal Bond Index published by the bond buyer.

Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report.

- Inflation: 2.75% total economic inflation
- Salary inflation: 3.5%
- Discount Rate: 2.06%

- Healthcare cost trend rate: for medical premiums, 5.0%, and for medical claims, 5.5% until 2023, decreasing to 5.0% thereafter.
- Dental premiums are assumed to increase at 3% per year.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. Mortality rates were based on the Pub.H-2010 tables published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using the MP-2107 mortality improvement scale. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime. The actuarial assumptions used for the fiscal year ending December 31, 2021 valuation were based on the results of the 2013-2018 actuarial experience study and the 2019 economic experience study, performed by the Office of the State Actuary.

The Disability Rate was considered immaterial for this calculation.

Participation was assumed to be 25% of eligible enrolling in the medical plan. It was also assumed that 20% of female retirees and 30% of male retirees will elect coverage for a spouse. Males are assumed to be two years older than their female spouses if date of birth is not provided. 15% of non-Medicare eligible retirees were assumed to drop coverage each year.

Sensitivity of the Total OPEB Liability

The table below presents the County’s total OPEB liability calculated using the discount rate of 2.06 percent, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.06 percent) or 1-percentage point higher (3.06 percent) than the current rate.

Similarly, the sensitivity of the total OPEB liability to changes in assumed healthcare trend rates is disclosed using trends that are 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease 1.06%	Current Discount Rate 2.06%	1% Increase 3.06%
Total OPEB Liability	\$ 2,501,883	\$ 2,337,565	\$ 2,179,911

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 2,089,958	\$ 2,337,565	\$ 2,630,272

Changes in the Total OPEB Liability

The table below presents the changes in the Total OPEB liability:

Total OPEB Liability at December 31, 2020	\$ 1,756,476
Changes for the Year	
Service Cost	159,006
Interest	35,141
Changes in Assumptions (Gain)/Loss	73,358

Experience (Gain)/Loss	414,803
Benefit Payments	(101,219)
Net Changes	581,089
Total OPEB Liability at December 31, 2021	<u>\$ 2,337,565</u>

The County reported \$268,247 as non-LEOFF 1 OPEB expense for the calendar year 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 380,236	\$ 11,168
Changes of assumptions or other inputs	372,501	-
Total	<u>\$ 752,737</u>	<u>\$ 11,168</u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year Ending	
2022	\$ 74,100
2023	74,100
2024	74,100
2025	74,100
2026	74,100
2027	74,100
Thereafter	\$ 296,969

B. Retired LEOFF I Employees

Plan Description

The County administers a single-employer Other Post Employment Benefit plan, which provides all health insurance benefits for retired public safety employees who are vested in LEOFF I. All City LEOFF I employees may become eligible for these benefits if they reach normal retirement age while working for the County. The County has used the alternative measurement method permitted by GASB Statement 75.

There are 44 participants eligible to receive these benefits. There is currently one member actively employed at the County who is not yet receiving LEOFF I medical benefits. The benefits are 100 percent provided by the County in order to meet State statutory requirements under the LEOFF I system and provided pursuant to RCW 41.20 and 41.26, whereby the

County pays their medical and dental premiums and out-of-pocket medical costs for life. This plan is closed to new entrants.

At December 31, 2021, the following employees were covered by the benefit terms:

	Total
Active Employees	1
Inactive Employees or Beneficiaries currently receiving benefits	43
Inactive Employees entitled to but not yet receiving benefits payments	<u>0</u>
	<u>44</u>

Contributions

The County has authority to establish and amend contribution requirements. The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

For the year ending December 31, 2021, benefit payments made by the County were \$289,105.

Actuarial Assumptions

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about retirement ages, mortality and the healthcare cost trend. The actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The County's total LEOFF 1 OPEB liability of \$24,065,031 was measured as of June 30, 2021, with a valuation date of June 30, 2021. The alternative method permitted under GASB 75 was used to calculate the liability instead of an actuarial valuation. The Entry Age actuarial cost method and the recognized immediately amortization method were used in this calculation. There are no assets in this plan, therefore, no asset valuation method was used.

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement period, unless otherwise specified:

- Inflation: 2.75% total economic inflation
- Discount Rate: 2.21% beginning of measurement year, 2.16% end of measurement year
- Healthcare cost trend rate: for medical costs, 5.3% decreasing to 5.0% in 2020's; for long-term care, 4.5%; Medicare Part B premiums vary, approximately 5%.

The source of the discount rate is the Bond Buyer General Obligation 20- Bond Municipal Index.

Mortality rates were based on the Pub S.H-2010 “-1 year Healthy Table” and “-0 years Disabled Table” published by the Society of Actuaries. The Washington State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using MP-2017 long-term rates. The Age Setback was based on the Blended 50%/50% Healthy/Disabled table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime. Medicare participation is assumed at 100%.

Sensitivity of the Total OPEB Liability

The first table below presents the County’s total OPEB liability calculated using the discount rate of 2.16 percent, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.16 percent) or 1-percentage point higher (3.16 percent) than the current rate. The table following presents the total OPEB liability of the County calculated using the health care cost trend rate of 6 percent decreasing to 5 percent and long term care rates of 4.5 percent, as well as what the OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage point lower (4.3% trending down to 4%, 3.5 % long term care trend rate) or 1-percentage point higher (6.3% trending down to 6%, 5.5 % long term care trend rate) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 27,083,433	\$ 24,065,031	\$ 21,528,520

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 21,654,069	\$ 24,065,031	\$ 26,861,021

Changes in the Total OPEB Liability

At the measurement date June 30, 2021, the changes in the total OPEB liability are as follows:

Total OPEB Liability at December 31, 2020	\$ 23,736,848
Changes for the Year:	
Interest	513,914
Changes in Experience Data and Assumptions	785,186
Estimated benefit payments	<u>(970,917)</u>
Net Changes	<u>328,183</u>
Total OPEB Liability at December 31, 2021	<u>\$ 24,065,031</u>

The County reported \$1,299,100 as LEOFF 1 OPEB expense for the calendar year 2021.

At December 31, 2021, the County reported deferred outflows of resources for deferred outflows subsequent to the measurement date in the amount of \$514,331. This will be recognized as reduction of liability in the period ending December 31, 2022.

NOTE 16 – IMPACT FEES

Clark County has adopted impact fee ordinances in past years to ensure that adequate facilities are available to serve new growth and development. An impact fee is levied as a condition of issuance of a building permit or development approval. Customers may be entitled to a non-refundable credit against the applicable traffic impact fee component for the fair value of appropriate dedications of land improvements or construction of system improvements provided by the development. In the event that the amount of the credit is calculated to be greater than the amount of the impact fee due, the customer may apply the excess credit toward traffic impact fees imposed on other developments within the same service area.

In 2021 there were \$2,547,257 in increases to TIF credits. The amount of credits applied toward traffic impact fees in 2021 was \$661,305. The amount of credits that may be applied against future traffic impact fees is \$6,497,657 at December 31, 2021.

In 2014 Clark County assumed park impact fee credits from the City of Vancouver that pertain to County park districts, with an ending balance of \$62,481 at December 31, 2021. Clark County does not issue park impact fee credits, so this amount will be reduced as credits are applied, until all existing credits are used.

The County does not report impact fee credits as liabilities in the fund financial statements because they are considered long-term liabilities (which are not reported in governmental funds) and viewed as reductions of future revenues, which are not yet earned. However, impact fee credits of \$6,560,138 are reported in the government-wide Statement of Net Position as

unearned revenues.

NOTE 17 –RISK MANAGEMENT

Clark County is exposed to risks of loss related to theft, damage and destruction of assets, tort claims, injuries to employees, acts of terrorism, and natural disasters. The County is self-insured for general liability claims, property coverage, workers compensation, unemployment and certain employees’ health care coverage. The County estimates liability for incurred losses for reported and unreported claims for general liability and property, workers compensation, and employee health care.

The County provides insurance coverage deemed as adequate and appropriate. In the case of County self-insurance activity, non-incremental claims adjustment expenses are not included as part of the accrued claims liabilities in the financial statements.

General Liability and Property

Beginning April 29, 2014, Clark County became fully self-insured, transitioning from a \$500,000 Washington Counties Risk Pool deductible to a \$1,000,000 Self Insured Retention, with excess coverage attaching at that point. Future claims will be handled based on the date of loss. As the three year statute of limitations runs, Pool claims will diminish as new claims will be covered by self-insurance. Currently, claims are administered internally by Clark County.

Under its self-insurance program, the County is responsible for the first \$1.0 million in indemnity and defense costs, before the Excess layer(s) apply. This is called “Self-Insured Retention” (SIR). The first layer above the SIR is a \$10.0 million Public Entity Liability policy. The next layer is \$15.0 million in following-form excess coverage. All policies are underwritten by highly rated carriers. The total \$25.0 million in coverage is also the aggregate annual limit.

The County has property coverages for all-risks, including earthquake and flood. There is also a LEED endorsement covering the County’s LEED buildings that will bring the damaged property back to certified status. There is a \$50,000 deductible for losses except Earthquake and Flood. As of December 31, 2021, Clark County has a total liability of \$5.1 million in the General Liability internal service fund. Liabilities include an amount for claims that have been incurred but not reported (IBNR) based on a study by Bickmore, pension liability, compensated absences and short term liabilities. The total claims liability for 2021 is \$4.9 million. The following schedule reconciles the current year and prior year claims liability.

	<u>2021</u>	<u>2020</u>
Beginning claims liability	\$ 5,262,000	\$ 6,341,000
Claims incurred during the year and changes in estimates for claims of prior periods (incl. IBNR)	4,581,826	1,363,929
Payments made on claims	(4,928,003)	(2,442,929)
Ending claims liability	<u>\$ 4,915,823</u>	<u>\$ 5,262,000</u>

The General Liability fund currently has a fund balance of \$9.7 million. If additional resources are required to satisfy current claims, the County may consider a reassessment of premiums. Information on the fund balance deficit is found in Note 3 of these note disclosures.

Unemployment

The County is self-insured for unemployment insurance claims. As of December 31, 2021

there is \$1.1 million set aside for unemployment claims. There were no significant claims outstanding against the unemployment insurance fund assets at year-end, with an estimated liability of \$287,676. There were no settlements for unemployment that exceeded the insurance coverage in the last three fiscal years. The following schedule reconciles the current year and prior year claim liability.

	2021	2020
Beginning claims liability	\$ 287,676	\$ 287,676
Claims incurred during the year and changes in estimates for claims of prior periods (incl. IBNR)	79,628	220,607
Payments made on claims	(79,628)	(220,607)
Ending claims liability	<u>\$ 287,676</u>	<u>\$ 287,676</u>

Workers compensation

Clark County is Self-Insured for worker's compensation under the laws of the State of Washington. The County maintains a dedicated self-insurance internal service fund, as well an excess liability policy of \$1.0 million with a \$750,000 deductible with Midwest Employers Casualty Company. The fund currently has a balance of \$1.7 million.

The County currently has an accrued claims liability of \$3.5 million in the Workers Compensation internal service fund. In 2021 Clark County engaged Bickmore to study and provide an estimate of workers compensation liability. The following schedule reconciles the current year and prior year claim liability:

	2021	2020
Beginning claims liability	\$ 2,824,000	\$ 3,474,757
Claims incurred during the year and changes in estimates for claims of prior periods (incl. IBNR)	3,246,376	1,470,790
Payments made on claims	(2,573,612)	(2,121,547)
Ending claims liability	<u>\$ 3,496,764</u>	<u>\$ 2,824,000</u>

Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

Employee Health Care

Beginning April 2014, the County established an internal service fund for the purpose of self-insuring employee medical and dental costs. The County pays claims and related expenses for employees choosing this plan and contracts with a third party administrator to process claims. The plan carries reinsurance coverage with a \$200,000 individual stop loss, and an aggregate stop loss of 1.25% of claims. The following schedule reconciles the current year and prior year claim liability:

	2021	2020
Beginning claims liability	\$ 1,467,700	\$ 1,661,400
Claims incurred during the year and changes in estimates for claims of prior periods (incl. IBNR)	19,776,291	18,859,495
Payments made on claims	(19,757,091)	(19,053,195)
Ending claims liability	<u>\$ 1,486,900</u>	<u>\$ 1,467,700</u>

The County began accounting for an estimated liability in 2015. As of December 31, 2021 the IBNR was estimated to be \$1.5 million. The County has built reserves in this internal service fund based on an eight week funding policy, with the reserve amount estimated to be \$2.9 million. As of December 31, 2021, total fund balance for the self-insurance fund is \$5.8 million.

NOTE 18 – RESTRICTED NET POSITION

Clark County's government-wide statement of net position reports a restricted net position of \$300.1 million, of which \$125.7 million is restricted by enabling legislation and state laws, \$107.1 million by pensions, \$59.5 million by grantors, \$5.8 million by bond covenants and debt service, and \$2 million by other restrictions.

NOTE 19 - CONTINGENCIES AND LITIGATIONS

The County participates in several Federal, State, and local grant programs. The grants are subject to an annual audit examination that includes compliance with granting agency terms and provisions, and with Federal and State regulations. Failure to adequately comply with the provisions could result in a requirement to repay funds to the granting agency. Disallowed expenditures cannot be determined at this time, although it is expected that such amounts would be immaterial.

On February 25, 2021, the Washington State Supreme court struck down the State's main drug possession crime in a case called State v. Blake. Convictions of simple possession of controlled substances were deemed unconstitutional and voided, dating back to 1971. It was determined to use the State Treasury to cover the state and local costs related to this case. The Treasury is being initially used to cover these costs and the costs were determined at the state level, the county has made the determination that, once the state allocation funds have been depleted, these liabilities belong to the state and not the county. The county will not be reporting a liability related to this activity.

The County has been named as a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, the County is of the opinion that present reserves are available to adequately cover potential settlements without adversely affecting the financial condition of the County.

The County has been named as a defendant in pending litigation that is reasonably possible a liability has been incurred, but cannot be estimated and so are not reflected in the financial statements.

NOTE 20- JOINTLY GOVERNED AND RELATED PARTIES

Clark Regional Emergency Services Agency

Clark County, the City of Vancouver and other local governments participate in governance of Clark Regional Emergency Services Agency (CRESA), a jointly governed organization whose purpose is to equip and operate a consolidated public safety communications service. CRESA is a special purpose quasi-municipal corporation originally created under the Interlocal Cooperation Act (RCW 39.4) in 1975 and restructured as a Public Development Authority or PDA authorized under RCW 35.21.730 in October 2017 and is recognized as such by the County. This restructure is still being evaluated by the CRESA administrative board with the County and all but one party to the agreement approving this restructure. The administrative board is comprised of nine members appointed by the entities receiving the services.

Due to the change in legal formation, the transactions between the County and CRESA no longer create an ongoing financial interest or financial responsibility; however, Clark County still collects telephone access fees (911 taxes) that are transferred to CRESA. These access fees fund emergency operations and equipment. The amount paid in 2021 was \$4,818,319.

Detailed financial statements for this entity can be obtained from CRESA, 710 W. 13th Street, Vancouver, Washington 98660.

Vancouver Library Capital Facilities Area (VLCFA)

The Vancouver Library Capital Facilities Area (VLCFA) was established with a special election of the voters in November 2005 and is a legal entity. Under the Revised Code of Washington (RCW) Section 27.15.030, the governing body of the library capital facility area is required to be three members of the local county legislative body. RCW 27.15.040 states that the purpose of the facility area is to construct, acquire, maintain and remodel library capital facilities, and that the governing body of the library capital facilities area may contract with a county, city, town, or library district to design, administer the construction of, operate or maintain a library capital facility. Under an interlocal agreement between Fort Vancouver Regional Library District (Library District) and VLCFA, the Library District is the agent for the VLCFA for negotiating the acquisitions, arranging, financing, contracting for construction and equipping of projects, operating and maintaining the projects after they are built. Upon retirement of any bonds, ownership of the projects will transfer to the Library District.

VLCFA is a related organization to Clark County because County elected officials constitute the voting majority of the board, but the County is not financially accountable for this entity and there is no potential financial benefit or burden to the county. Further, the County cannot impose its will on this entity, as the voter control the authority to raise capital for facility construction or improvement.

NOTE 21 - POLLUTION REMEDIATION

Leichner Landfill

In December, 2012, the County acquired landfill property formerly known as the Leichner Landfill (the Property). The Property was previously owned and operated by Leichner Brothers Landfill Reclamation Corporation (LBLRC) and was closed in December 1991. Between 1988 and 1996, LBLRC, Clark County (County), the City of Vancouver (City), Washington Utilities and Transportation Commission, and Washington State Department of Ecology (DOE) entered into a series of agreements regarding closure and post-closure maintenance and monitoring of the landfill. The Property is currently in the post remediation monitoring stage.

In 1988 the County entered into a Solid Waste Reduction and Disposal Agreement with LBLRC to direct the flow of solid waste and establish the Leichner Landfill Financial Assurance Reserve Fund (FARF). FARF, known as the Solid Waste Closure Fund, was established by the County for the sole purpose of accumulating disposal fees collected by LBLRC from 1988 until closure in 1991. In addition to fees collected, the County contributed other resources. These funds were designated to pay for environmental compliance, closure, and self-insurance of the solid waste landfill.

The Revised Environmental Compliance Budget submitted to DOE for 2019 indicates that the remediation project is fully funded through 2021, the end of the 30-year post-closure monitoring period. This budget is the basis for the estimates for the year ending December 31, 2021. The remaining estimated liability is approximately \$5.8 million. This is measured at current value. If FARF is depleted before the end of required maintenance and monitoring, the County is required through agreement to utilize rate capacity at the County contracted transfer stations under RCW 36.58 to continue to fund the project.

This estimated potential liability was prepared using the Expected Cash Flow Technique, which measures the liability as the sum of probability weighted amounts in a range of possible estimated amounts. This is an estimate only and potential for change exists resulting from price increases or reductions, technology, or changes in applicable laws or regulations. The estimates and assumptions will be re-evaluated on an annual basis.

Camp Bonneville

Camp Bonneville is a 3,840 acre piece of property owned by Clark County that was formerly used by the US Army as a military reservation and training camp. The property is undergoing remediation for munitions clean-up. An agreement with the Department of Ecology stipulates that the County is only responsible for remediation of the site to the extent that the US Army provides funding for such work. The US Army is financially responsible for the cleanup of this property. The US Army's cleanup will wrap up in July 2022; this estimate has been extended from the prior estimate of June 2021. The Camp Bonneville munition site will be considered remedied at that time. The County has been monitoring groundwater during the munition cleanup process, and will continue to monitor groundwater at this site. The monitoring has been funded by the US Army.

Clark County is working with the Department of Ecology to determine the continued remediation responsibility. The estimates and assumptions will be re-evaluated on an annual basis.

Whatley Pit

Whatley Pit is property owned by Clark County and has been used as a processing facility for material swept from streets and removed from storm drains. There has been no obligating event that requires the County to record a liability.

NOTE 22 - PRIOR PERIOD ADJUSTMENTS

Clark County recognizes during the current year we may gain a greater understanding of transactions that occurred prior to our current year financial statements that must be corrected to ensure accuracy of the financial statements.

The County recorded the following prior period adjustments in 2021:

Government Wide

Governmental activities	\$ (3,321,609)	Correct asset retirement obligations omitted during implementation and adjusting useful lives.
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Governmental activities	\$ 915,205	Landfill and Pollution Remediation adjustment.
Total Governmental activities	\$ (2,406,404)	
Proprietary Funds		
Non-Major Enterprise Funds		
Sanitary Sewer	\$ 125,005	Adjustment to liability to agree with contract with Discover Clean Water Alliance
Total Proprietary Funds	125,005	
Total Primary Government	\$ (2,281,399)	

NOTE 23- OTHER DISCLOSURES

A. Tax Abatement

The County is subject to tax abatements granted by the City of Vancouver (City's) and the State of Washington. There are no receivables related to these tax abatements.

The City's tax abatement program, Multifamily Tax Exemption Program, has the stated purpose of increasing residential opportunities, including affordable housing, in designated urban centers. Under this program, authorized by RCW 84.14 and codified in Chapter 3.22 of the Vancouver Municipal Code, agreements entered into by the City abate City, County and other special purpose district property taxes. Under this program, the property taxes abated are shifted to other tax payers. At December 31, 2021, \$407,761 was abated through the City's program. The State of Washington also administers a tax deferral program under RCW 84.14 that impacts the Clark County and other special purpose district property taxes. At December 31, 2021, \$288,567 was abated through the State's program.

The State of Washington has several tax abatements. There are two which affect Clark County sales and use tax received. The High Unemployment Deferral for Manufacturing Facilities exemption under RCW 82.60 is intended to promote economic stimulation and new employment opportunities in distress areas. At December 31, 2021, \$2,403 of sales and use tax was abated under this program.

The High Technology sales and use tax deferral program under RCW 82.63, which was available to entities that qualified to start new research and development or pilot scale manufacturing operations, or expand or diversify a current operation by expanding, renovating or equipping an existing facility anywhere in Washington. RCW 82.32.585 (4) prohibits disclosure of information by jurisdiction when there are less than three taxpayers within a county. The tax abated for this program cannot be disclosed.

B. Asset Retirement Obligation

The County Internal Service Fund activity has installed fuel tanks in various locations. When the tanks are removed or replaced, the Environmental Protection Agency (EPA) requires certain steps be taken to prevent or mitigate contamination from the tanks' contents. The EPA has provided estimated range of costs for the proper disposal of tanks, depending on the severity of contamination. The County has applied these estimates to all tanks in operation to arrive at a total estimated asset retirement obligation. The remaining useful lives of the tanks in service range from approximately 10 to 15 years. The liability at December 31, 2021 is \$880,000 and the deferred outflow is \$195,001.

The County operates ten wells in various park locations having estimated useful lives remaining of 73 years. When these wells are retired, they are subject to specific decommissioning requirements within the Washington Administrative Code (WAC) 173-160-38. The County estimated the liability using an average cost based on the size and depth of the wells. The estimated liability at December 31, 2021 is \$104,025 and the deferred outflow is \$76,722.

The County also operates three mining quarries. Two of the quarries have completed mining and one is nearing completion. These quarries are subject to reclamation as required by the Department of Natural Resources under the Surface Mining Act (RCW 78.44). The County estimated the liability at December 31, 2021 to be \$3,514,350. No deferred outflow exists as the expense associated with the asset retirement obligation is incurred at the point the ground is disturbed.

The obligations will be paid from operating income; no assets have been set aside to fund these obligations.

C. Discovery Clean Water Alliance

In 2012, the County entered into an inter-local agreement with Clark Regional Waste Water District (CRWWD), the City of Battle Ground and the City of Ridgefield to form the Discover Clean Water Alliance (Alliance) for the purpose of providing cooperative municipal wastewater utility services in Clark County.

The Alliance became operational on January 1, 2015. The Alliance is governed by a four member board with one board member from each entity. In 2015 through implementation of GASB 69 the County transferred operations, including all assets and associated debt, of the Salmon Creek Treatment Plant and wastewater treatment activities to the Alliance.

The County continues to operate the Salmon Creek Wastewater Management System under an operator agreement with the Alliance. The Sanitary Sewer Fund comprises the revenues and expenses related to this operator activity.

D. COVID-19 Pandemic

In March 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new COVID-19 virus. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools and government offices, cancelling public events, limiting public and private gatherings, restricting business operations, travel and non-essential activities.

Due to the uncertainty of this unprecedented event, the County implemented various measures including the reduction of discretionary spending, the hiring of only essential workers, and the restriction of public facing activities. In addition the County received grants from the state and the federal government to assist in paying for the expenses related to the pandemic.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the County is unknown at this time.

E. Implementation of New Accounting GASB Pronouncements

The County implemented GASB No. 87 Leases on January 1, 2021. This statement requires recognition of certain lease assets and lease liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based upon the payment provisions of the contract. It establishes a single model for lease accounting based upon the foundational principle that leases are financings of the right to use an underlying asset. Leases where the maximum possible lease term is one year or less continue to be reported as operating leases. Leases that transfer ownership and contain no cancellation provisions are reported as debt by the lessee and sale of an asset by the lessor.

County as Lessee:

As a result of implementing this GASB, the County has recorded the following to adjust year 2021 beginning balances:

Government-wide Statement of Net Position

Governmental Activities

Right-To-Use Capital Assets	\$2,647,833	
Lease Liability		\$2,647,833

Internal Service Funds Statement of Net Position

Right-To-Use Capital Assets	\$1,249,316	
Lease Liability		\$1,249,316

County as Lessor:

As a result of implementing this GASB, the County has recorded the following adjustments to year 2021 beginning balances:

Government-wide Statement of Net Position

Governmental Activities

Lease Receivable	\$22,177,326	
Deferred Inflows of Resources Leases		\$22,177,326

Governmental Funds Balance Sheet

Lease Receivable	\$21,508,543	
Deferred Inflows of Resources Leases		\$21,508,543

Internal Service Funds Statement of Net Position

Lease Receivable	\$ 668,783	
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Deferred Inflows of Resources Leases

\$ 668,783

Current year leases activity is summarized in Capital Assets Note 6, Receivables Note 7, Leases Note 9, and Changes in Long-term Debt Note 11.

Clark County
Required Supplementary Information -
Other Post Employment Benefits - PERS/PSERS/LEOFF II
For the year ended December 31, 2021

Total OPEB liability	2021	2020	2019	2018
Service cost	\$ 159,006	\$ 111,645	\$ 107,870	\$ 70,437
Interest	35,141	45,244	33,324	43,396
Differences between expected and actual experience	414,803	-	(14,978)	-
Changes of assumptions or other inputs	73,358	-	409,324	-
Benefit payments	(101,219)	(103,320)	(97,698)	(79,699)
Net change in total OPEB liability	<u>581,089</u>	<u>53,569</u>	<u>437,842</u>	<u>34,134</u>
Total OPEB liability beginning	1,756,476	1,702,907	1,265,065	1,230,931
Total OPEB liability ending	<u>\$ 2,337,565</u>	<u>\$ 1,756,476</u>	<u>\$ 1,702,907</u>	<u>\$ 1,265,065</u>
 Covered payroll	 <u>\$ 122,327,791</u>	 <u>\$ 117,648,550</u>	 <u>\$ 116,593,318</u>	 <u>\$ 104,066,054</u>
 Total OPEB liability as a percentage of covered employee payroll	 1.91%	 1.49%	 1.46%	 1.22%

Note 1: Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	3.44%
2019	2.74%
2020	2.74%
2021	2.06%

Note 2:

The County implemented GASB 75 in 2018, therefore no data is presented before then. Eventually, ten years of data will be presented.

Clark County
Required Supplementary Information - Other Post Employment Benefits - LEOFF I
For the year ended December 31, 2021

Total OPEB liability	2021	2020	2019	2018
Interest	\$ 513,914	\$ 710,291	\$ 828,497	\$ 796,649
Changes of assumptions or other inputs	785,186	3,187,386	(1,026,269)	(749,769)
Benefit payments	(970,917)	(901,947)	(929,793)	(854,420)
Net change in total OPEB liability	<u>328,183</u>	<u>2,995,730</u>	<u>(1,127,565)</u>	<u>(807,540)</u>
Total OPEB liability beginning	23,736,848	20,741,118	21,868,683	22,676,223
Total OPEB liability ending	<u>\$ 24,065,031</u>	<u>\$ 23,736,848</u>	<u>\$ 20,741,118</u>	<u>\$ 21,868,683</u>
Covered employee payroll	<u>\$ 143,500</u>	<u>\$ 137,876</u>	<u>\$ 122,436</u>	<u>\$ 121,230</u>
Total OPEB liability as a percentage of covered employee payroll	16770%	17216%	16940%	18024%

Note 1: Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%

Note 2:

The County implemented GASB 75 in 2018, therefore no data is presented before then. Eventually, ten years of data will be presented.

**Required Supplementary Information
State Sponsored Pension Plans**

Schedule of Proportionate Share of the Net Pension Liability (Asset)
PERS 1
As of June 30
Last Eight Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.686801%	\$ 8,387,447	\$ 104,853,821	8.00%	88.74%
2020	0.686908%	24,251,562	103,390,383	23.46%	68.64%
2019	0.729476%	28,050,942	101,530,407	27.63%	67.12%
2018	0.752682%	33,615,034	99,341,929	33.84%	63.22%
2017	0.774670%	36,758,601	96,419,510	38.12%	61.24%
2016	0.802610%	43,103,991	94,890,353	45.43%	57.03%
2015	0.827550%	43,288,560	89,558,564	48.34%	59.10%
2014	0.797250%	40,162,045	86,726,540	46.31%	61.19%

Schedule of Proportionate Share of the Net Pension Liability (Asset)
PERS 2/3
As of June 30
Last Eight Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.798483%	\$ (79,541,754)	\$ 95,498,861	(83.29)%	120.29%
2020	0.808734%	10,343,247	94,278,695	10.97%	97.22%
2019	0.857330%	8,327,589	93,194,006	8.94%	97.77%
2018	0.883518%	15,085,284	91,678,226	16.45%	95.77%
2017	0.906170%	31,485,111	88,860,753	35.43%	90.97%
2016	0.930720%	46,861,067	84,578,312	55.41%	85.82%
2015	0.967920%	34,584,262	85,898,212	40.26%	89.20%
2014	0.923050%	18,658,254	79,743,453	23.40%	93.29%

Schedule of Proportionate Share of the Net Pension Liability (Asset)
PSERS
As of June 30
Last Eight Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	1.318204%	\$ (3,028,429)	\$ 8,937,150	(33.89)%	123.67%
2020	1.396279%	(192,190)	8,575,711	(2.24)%	101.68%
2019	1.685517%	(219,185)	7,756,831	(2.83)%	101.85%
2018	1.796980%	22,265	7,049,543	0.32%	99.79%
2017	1.856000%	363,647	6,571,325	5.53%	93.14%
2016	2.010850%	854,573	6,270,109	13.63%	90.41%
2015	1.961060%	357,932	5,741,723	6.23%	89.20%
2014	1.858450%	(269,121)	4,982,203	(5.40)%	93.29%

Schedule of Proportionate Share of the Net Pension Liability (Asset)
LEOFF 1
As of June 30
Last Eight Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	State's proportionate share of the net pension liability (asset) associated with the employer	TOTAL	Employer's covered payroll	Employer's proportionate share of the net pension liability (asset) as a % of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.095545%	\$ (3,272,953)	\$ (22,138,174)	\$ (25,411,127)	N/A	N/A	187.45%
2020	0.095395%	(1,801,543)	(12,185,593)	(13,987,136)	N/A	N/A	146.88%
2019	0.093816%	(1,854,377)	(12,542,963)	(14,397,340)	N/A	N/A	148.78%
2018	0.093163%	(1,691,376)	(11,440,426)	(13,131,802)	N/A	N/A	144.42%
2017	0.094220%	(1,429,525)	(9,669,269)	(11,098,794)	N/A	N/A	135.96%
2016	0.095960%	(988,704)	(6,687,567)	(7,676,271)	N/A	N/A	123.74%
2015	0.097090%	(1,170,161)	(7,914,940)	(9,085,101)	N/A	N/A	127.36%
2014	0.096490%	(1,170,198)	(7,915,190)	(9,085,388)	N/A	N/A	126.91%

Schedule of Proportionate Share of the Net Pension Liability (Asset)
LEOFF 2
As of June 30
Last Eight Fiscal Years

Employer's	Employer's	State's proportionate share of the net	Employer's proportionate share of	Plan fiduciary net position as a
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Year Ended June 30,	proportion of the net pension liability (asset)	proportionate share of the net pension liability (asset)	pension liability (asset) associated with the employer	TOTAL	Employer's covered payroll	the net pension liability (asset) as a percentage of covered payroll	percentage of the total pension liability
2021	0.366222%	\$ (21,271,690)	\$ (13,045,219)	\$(34,316,909)	\$ 14,175,286	-150.06%	142.00%
2020	0.370046%	(7,548,398)	(4,826,629)	(12,375,027)	14,044,635	-53.75%	115.83%
2019	0.400817%	(9,285,699)	(6,080,889)	(15,366,588)	14,080,442	-65.95%	119.43%
2018	0.413048%	(8,385,775)	(5,429,631)	(13,815,406)	13,672,999	-61.33%	118.50%
2017	0.398990%	(5,536,702)	(3,591,555)	(9,128,257)	12,481,367	-44.36%	113.36%
2016	0.428820%	(2,494,146)	(1,625,998)	(4,120,144)	12,810,631	-19.47%	106.04%
2015	0.416170%	(4,277,406)	(3,256,881)	(7,534,287)	12,081,960	-35.40%	111.67%
2014	0.408680%	(5,423,320)	(3,558,240)	(8,981,560)	11,370,207	-47.70%	116.75%

**Required Supplementary Information
State Sponsored Pension Plans**

Schedule of Employer Contributions
PERS 1

As of December 31
Last Eight Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2021	\$ 4,617,696	\$ (4,617,696)	-	\$ 105,773,460	4.37%
2020	5,023,548	(5,023,548)	-	104,083,041	4.83%
2019	5,119,185	(5,119,185)	-	102,363,953	5.00%
2018	5,135,279	(5,135,279)	-	100,610,958	5.10%
2017	4,843,623	(4,843,623)	-	104,787,774	4.62%
2016	4,610,283	(4,610,283)	-	95,454,561	4.83%
2015	4,076,964	(4,076,964)	-	92,103,514	4.43%
2014	3,709,596	(3,709,596)	-	88,252,268	4.20%

Schedule of Employer Contributions
PERS 2/3

As of December 31
Last Eight Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2021	\$ 6,948,245	\$ (6,948,245)	-	\$ 96,380,276	7.21%
2020	7,494,582	(7,494,582)	-	94,642,276	7.92%
2019	7,218,422	(7,218,422)	-	93,698,528	7.70%
2018	6,945,344	(6,945,344)	-	92,631,820	7.50%
2017	6,152,535	(6,152,535)	-	90,363,953	6.81%
2016	5,482,778	(5,482,778)	-	88,140,959	6.22%
2015	4,718,692	(4,718,692)	-	84,578,312	5.58%
2014	4,141,055	(4,141,055)	-	81,284,145	5.09%

Schedule of Employer Contributions
PSERS

As of December 31
Last Eight Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2021	\$ 621,008	\$ (621,008)	-	\$ 9,037,389	6.87%
2020	646,614	(646,614)	-	8,983,444	7.20%
2019	578,708	(578,708)	-	8,115,617	7.13%
2018	503,857	(503,857)	-	7,366,681	6.84%
2017	453,363	(453,363)	-	6,809,484	6.66%
2016	413,433	(413,433)	-	6,271,798	6.59%
2015	405,483	(405,483)	-	6,270,109	6.47%
2014	347,326	(347,326)	-	5,385,537	6.45%

Schedule of Employer Contributions
LEOFF 2

As of December 31
Last Eight Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2021	\$ 761,469	\$ (761,469)	-	\$ 14,825,011	5.14%
2020	698,636	(698,636)	-	13,565,510	5.15%
2019	740,214	(740,214)	-	14,229,364	5.20%
2018	724,497	(724,497)	-	13,800,533	5.25%
2017	674,561	(674,561)	-	13,114,672	5.14%
2016	619,896	(619,896)	-	12,264,670	5.05%
2015	646,784	(646,784)	-	12,810,592	5.05%
2014	595,934	(595,934)	-	11,394,996	5.23%

Notes to Required Supplemental Information - Pension

As of December 31
Last Eight Fiscal Years

Note 1: Information Provided

GASB 68 was implemented for the year ended December 31, 2014, therefore there is no data available for years prior to 2014. Eventually, the schedules will show ten years of data.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans; fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2: Significant Factors

There were no changes of benefit terms, significant changes in the employees covered under the benefit terms or in the use of different assumptions.

Note 3: Covered payroll

Covered payroll has been presented in accordance with GASB 82, Pension Issues. Covered payroll includes all payroll on which a contribution is based.

Note 4: Contribution rates

Rates in effect during the periods covered by the Required Supplemental Information are below:

PERS 1

<u>From this Date</u>	<u>Through this Date</u>	<u>Rate</u>
9/1/2013	6/30/2015	9.21%
7/1/2015	6/30/2017	11.18%
7/1/2017	8/31/2018	12.70%
9/1/2018	6/30/2019	12.83%
7/1/2019	8/31/2020	12.86%
9/1/2020	6/30/2021	12.97%
7/1/2021	Current	10.25%*

* Employer contribution rate includes an administrative expense rate of 0.18%

PERS 2/3

<u>From this Date</u>	<u>Through this Date</u>	<u>Rate</u>
9/1/2013	6/30/2015	9.21%
7/1/2015	6/30/2017	11.18%
7/1/2017	8/31/2018	12.70%
9/1/2018	6/30/2019	12.83%
7/1/2019	8/31/2020	12.86%
9/1/2020	6/30/2021	12.97%
7/1/2021	Current	10.25%*

* Employer contribution rate includes an administrative expense rate of 0.18%

LEOFF 1

<u>From this Date</u>	<u>Through this Date</u>	<u>Employer Rate</u>
7/1/2008	8/31/2013	0.16%
9/1/2013	current	0.18%*

* Employer contribution rate includes an administrative expense rate of 0.18%

LEOFF 2

<u>From this Date</u>	<u>Through this Date</u>	<u>Employer Rate</u>
9/1/2013	6/30/2017	5.23%
7/1/2017	6/30/2019	5.43%
7/1/2019	6/30/2021	5.33%
7/1/2021	Current	5.30%*

* Employer contribution rate includes an administrative expense rate of 0.18%

Effective July 1, 2019, LEOFF employers must pay an additional 3.44% to pick up the state contributions on basis salary paid for services rendered to non-LEOFF employers

PSERS 2

<u>From this Date</u>	<u>Through this Date</u>	<u>Employer Rate</u>
-----------------------	--------------------------	----------------------

9/1/2013	6/30/2015	10.54%
7/1/2015	6/30/2017	11.54%
7/1/2017	8/31/2017	11.94%
9/1/2017	8/31/2018	11.95%
9/1/2018	6/30/2019	12.38%
7/1/2019	6/30/2021	12.14%
7/1/2021	Current	10.39%*

* Employer contribution rate includes an administrative expense rate of 0.18%

Required Supplementary Information

Modified Approach for Reporting Clark County's Infrastructure Capital Assets

Condition Rating of the County's Infrastructure Subsystems Reported Using Modified Approach

*Percentage of Infrastructure Assessed At or Above Established Assessment Levels **

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Roads - cycle 3 years	77.1%	76.5%	N/A	82.0%
Roads - cycle 2 years	74.0%	77.2%	N/A	77.3%

*Percentage of Infrastructure Assessed at Poor Condition **

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Roads - cycle 3 years	14.3%	14.9%	N/A	10.8%
Roads - cycle 2 years	14.4%	12.3%	N/A	10.1%

* Although the County has only recorded capital asset infrastructure constructed after 1980 , all county roads are assessed and included in these percentages, regardless of when they were constructed. "N/A" refers to years with no infrastructure assessment.

Comparison of Needed-to-Actual Maintenance/Preservation *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Roads				
Budgeted (needed)	\$ 18,504,292	\$ 18,124,116	\$ 20,375,722	\$ 19,420,048
Actual	\$ 17,430,421	\$ 15,857,728	\$ 16,943,721	\$ 18,076,949
% Spent	94.20%	87.50%	83.16%	93.08%
Amount Unspent / (Overspent)	\$ 1,073,871	\$ 2,266,388	\$ 3,432,001	\$ 1,343,099

* Budget control is maintained within each fund. Operationally, the budget and the actual amount spent are monitored on an annual basis. One area within a fund (i.e., maintenance) can be over budget, as long as other areas within the fund (i.e., services, supplies, capital) are under budget to the same extent or more.

Notes to Required Supplementary Information – Modified Approach

In accordance with GASB Statement #34, the County is required to report infrastructure capital assets. The County has elected to use the “Modified Approach”, as defined by GASB Statement #34, for reporting its road system, thereby forgoing depreciation of these assets (see Management’s Discussion and Analysis: Modified Approach for Reporting Infrastructure Assets, within this document, regarding the requirements for using this method of reporting).

A complete assessment of the roads is done every three years, at a minimum. Detailed documentation of disclosed assessment levels is kept on file. Following are tables showing the measurement scales and basis for condition of measurement used to assess and report conditions for each of these infrastructure systems being reported using the modified approach and the condition level at which the County intends to preserve the assets.

Roads Subsystem

Measurement Scale and Basis for Condition Measurement

Rating*

100	Good: New road surface - no maintenance needed
90	Good: Road surface is starting to show some environmental distress - may have some cracks that need filling
80	Fair: Road surface is showing pronounced environmental distress and may have some structural distress - may be ready for a seal
70	Fair: Road surface is showing some structural distress and numerous environmental distresses - needs a seal or a thin lift of overlay
60	Fair: Road surface shows consistent structural distresses and severe environmental distresses - needs a thin lift or structural overlay on access up to arterial routes
50	Poor: Road surface shows several structural and environmental distresses - needs a structural overlay (arterial/collector roads) or a cape seal (access roads)
40	Poor: Road surface is showing many structural distresses - needs a structural overlay or cape seal with substantial prep work
30	Poor: Road surface shows major structural distresses - close to a condition requiring reconstruction or base stabilization
20 or less	Poor: Road surface has little structural integrity left - needs reconstruction or base stabilization now

****The County has established an acceptable condition level of 70 for road subsystems, and intends to preserve the assets at or above this level.***

Required Supplementary Information

Modified Approach for Reporting Clark County's Infrastructure Capital Assets

Condition Rating of the County's Infrastructure Subsystems Reported Using Modified Approach

*Percentage of Infrastructure Assessed At or Above Established Assessment Levels **

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Bridges	N/A	99.0%	97.4%
Stormwater Subsystem	99.0%	98.8%	98.6%

*Percentage of Infrastructure Assessed at Poor Condition **

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Bridges	N/A	1.0%	2.6%
Stormwater Subsystem	1.0%	1.2%	1.4%

* Although the County has only recorded capital asset infrastructure constructed after 1980 , all county stormwater facilities and bridges are assessed and included in these percentages, regardless of when they were constructed.

Comparison of Needed-to-Actual Maintenance/Preservation

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Stormwater Subsystem			
Budgeted (needed)	\$ 2,218,600	\$ 2,140,000	\$ 1,902,504
Actual	\$ 1,667,031	\$ 1,802,562	\$ 1,795,586
% Spent	75.14%	84.23%	94.38%
Amount Unspent / (Overspent)	\$ 551,569	\$ 337,438	\$ 106,918
Bridges**			
Budgeted (needed)	\$ 344,404	\$ 151,211	\$ 211,937
Actual	\$ 160,119	\$ 161,503	\$ 87,972
% Spent	46.49%	106.81%	41.51%
Amount Unspent / (Overspent)	\$ 184,285	\$(10,292)	\$ 123,965

* Budget control is maintained within each fund. Operationally, the budget and the actual amount spent are monitored on a biennial basis. One area within a fund (i.e., maintenance) can be over budget, as long as other areas within the fund (i.e., services, supplies, capital) are under budget to the same extent or more.

** Beginning in 2011, bridge maintenance is done only on an as needed basis.

Notes to Required Supplementary Information – Modified Approach

In accordance with GASB Statement #34, the County is required to report infrastructure capital assets (such as roads, bridges, railways, pathways, and stormwater systems). The County has elected to use the “Modified Approach”, as defined by GASB Statement #34, for reporting its stormwater subsystems and bridges, thereby forgoing depreciation of these assets (see Management’s Discussion and Analysis: Modified Approach for Reporting Infrastructure Assets, within this document, regarding the requirements for using this method of reporting).

A complete assessment of bridges is done every two years, at a minimum, whereas stormwater subsystem assessments are done every three years, at a minimum. Detailed documentation of disclosed assessment levels is kept on file. Following are tables showing the measurement scales and basis for condition of measurement used to assess and report conditions for each of these infrastructure systems being reported using the modified approach and the condition level at which the County intends to preserve the assets.

Stormwater Subsystems Measurement Scale and Basis for Condition Measurement

Under Clark County’s NPDES Phase I Municipal Stormwater Permit, at least 95% of stormwater treatment and flow control facilities must be inspected annually for compliance with state standards. Inspection and maintenance records are stored in the county’s Maintenance Management System database.

When an inspection identifies an exceedance of the maintenance standard, the county is required to perform maintenance within prescribed timelines as follows:

- Within 1 year for typical maintenance issues
- Within 6 months for catch basins
- Within 2 years for maintenance requiring capital construction of less than \$25,000

When required maintenance on a facility will exceed \$25,000, the time limit is lifted, but the county is required to track these facilities and address them over time through the stormwater capital plan.

The vast majority of required maintenance falls within the first three categories. A small number of facilities have larger problems and fall into the “exceeds \$25,000” category.

Typically, placement on the “exceeds \$25,000” list means a facility has significant functional defects. All the other categories are routine maintenance and do not imply facility failure or de-valuation.

In 2019, 1245 facilities were inspected, and there are 17 facilities on the “exceeds \$25,000” maintenance list.

Bridges Measurement Scale and Basis for Condition Measurement

Rating*

100	Newly constructed bridge - no maintenance needed
81-99	Bridge is in good shape, unless structurally deficient or functionally obsolete
51-80	Bridge is in fair shape - may be eligible for replacement if structurally deficient or functionally obsolete
25-50	Bridge is in fair shape - may be eligible for federal replacement funding if structurally deficient or functionally obsolete
0-24	Poor condition: Bridge is in poor shape - needs to be replaced soon

***The County has established an acceptable condition level of 50 for bridges.**

Definitions: A structurally deficient bridge is one whose condition or design has impacted its ability to adequately carry its intended load.

A functionally obsolete bridge is one in which the deck geometry, load capacity, clearance, or approach roadway alignment have reduced (to below accepted design standards) its ability to adequately meet traffic needs.

GASB Statement #34 requires that condition assessments are performed at least every three years and that the table showing the condition rating include data for the three most recent complete assessments.

The table of needed to actual maintenance/preservation will eventually include a five-year comparison.

**Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	From Pass- Through Awards	Expenditures			Passed through to Subrecipients	Note
					From Direct Awards	Total	Total		
Child Nutrition Cluster									
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via WA Office of Superintendent of Public Instruction)	Summer Food Service Program for Children	10.559	20190317	11,820	-	11,820	-	-	
Total Child Nutrition Cluster:				11,820	-	11,820	-	-	
Forest Service Schools and Roads Cluster									
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF	Schools and Roads - Grants to States	10.665	N/A	-	1,310	1,310	-	-	
Total Forest Service Schools and Roads Cluster:				-	1,310	1,310	-	-	
OFFICE OF LOCAL DEFENSE COMMUNITY COOPERATION, DEPT OF DEFENSE									
	Community Investment	12.600	W9128F-06-2-0160	-	328,216	328,216	-	-	
OFFICE OF LOCAL DEFENSE COMMUNITY COOPERATION, DEPT OF DEFENSE									
	Community Investment	12.600	W912DY-11-2-0337	-	51,641	51,641	-	-	
Total CFDA 12.600:				-	379,857	379,857	-	-	
CDBG - Entitlement Grants Cluster									
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218	B-16/17/18/19/20/21-UC-53-0006	-	675,288	675,288	444,257	444,257	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	COVID 19 - Community Development Block Grants/Entitlement Grants	14.218	B20-UW-53-0006	-	1,469,743	1,469,743	1,351,438	1,351,438	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218	N/A	-	522,562	522,562	350,294	3
Total CDBG - Entitlement Grants Cluster:				-	2,667,593	2,667,593	2,145,989	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA State Dept of Commerce)	COVID 19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	N/A	386,903	-	386,903	377,372	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA State Dept of Commerce)	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	20-6221C-174	1,420	-	1,420	-	
Total CFDA 14.228:				388,323	-	388,323	377,372	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via WA State Dept of Commerce)	COVID 19 - Emergency Solutions Grant Program	14.231	20-4613C-105	1,268,992	-	1,268,992	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M-18/19/20-UC- 530204	-	962,500	962,500	847,244	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	COVID 19 - Home Investment Partnerships Program	14.239	M21-UP530204	-	1,778	1,778	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	N/A	-	519,766	519,766	517,299	3
			Total CFDA 14.239:	-	1,484,044	1,484,044	1,364,543	
U.S. FISH AND WILDLIFE SERVICE, INTERIOR, DEPARTMENT OF THE	Fish and Wildlife Management Assistance	15.608	N/A	-	82,810	82,810	-	
NATIONAL PARK SERVICE, INTERIOR, DEPARTMENT OF THE (via WA State Arch & Hist Preservation)	Historic Preservation Fund Grants-In-Aid	15.904	CLY FY21	15,000	-	15,000	-	
OJP BUREAU OF JUSTICE ASSISTANCE, JUSTICE, DEPARTMENT OF	COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX- 0395	-	39	39	-	
OJP BUREAU OF JUSTICE ASSISTANCE, JUSTICE, DEPARTMENT OF (via Children's Advocacy Centers)	COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	20-44120-160	64,474	-	64,474	-	
			Total CFDA 16.034:	64,474	39	64,513	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce)	Crime Victim Assistance	16.575	F19-31219-452	37,500	-	37,500	-	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce)	Crime Victim Assistance	16.575	S22-31101-505	21,695	-	21,695	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce)	Crime Victim Assistance	16.575	F19-31219-421	220,043	-	220,043	-	
			Total CFDA 16.575:	279,238	-	279,238	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Drug Court Discretionary Grant Program	16.585	2018-DC-BX- 0022	-	111,040	111,040	-	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce)	Violence Against Women Formula Grants	16.588	F19-31103-044	28,934	-	28,934	-	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce)	Violence Against Women Formula Grants	16.588	F19-31103-119	75,000	-	75,000	-	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce)	Violence Against Women Formula Grants	16.588	F19-31103-126	74,508	-	74,508	-	
			Total CFDA 16.588:	178,442	-	178,442	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX- 0327	-	2,485	2,485	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX- 0254	-	50,422	50,422	50,422	

The accompanying notes are an integral part of this schedule.

**Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
			Total CFDA 16.738:	-	52,907	52,907	50,422	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Office of Public Defense)	COVID 19 - Edward Byrne Memorial Competitive Grant Program	16.751	GRT21014	50,000	-	50,000	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	VANC-WA- CORE21	-	49,427	49,427	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Second Chance Act Reentry Initiative	16.812	2018-RW-BX- 0009	-	132,098	132,098	-	
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BHOS-2006 (071)	63	-	63	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BHOS-2006 (077)	334,448	-	334,448	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BHS-4453(001)	17,545	-	17,545	-	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BHS-H063(001)	26,694	-	26,694	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BHZS-Z903 (003)	174,686	-	174,686	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	CM-9906(053)	43,513	-	43,513	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	CM-9906(057)	339,513	-	339,513	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	HSIP-000S (549)	226,986	-	226,986	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	HSIP-4364(002)	13,766	-	13,766	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	NHPP-4253 (015)	6,819	-	6,819	-	

The accompanying notes are an integral part of this schedule.

**Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPR-06H1 (001)	26,392	-	26,392	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPUL-0099 (129)	70,881	-	70,881	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPUL-4205 (001)	139,641	-	139,641	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPUL-4233 (001)	40,225	-	40,225	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPUL-4247 (002)	188,855	-	188,855	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPUL-HIPUL- 4201(003)	3,000,000	-	3,000,000	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	tap-4231(006)	27,484	-	27,484	-	

The accompanying notes are an integral part of this schedule.

**Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Total Highway Planning and Construction Cluster:				4,677,511	-	4,677,511	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Association of Sheriffs & Police Chiefs)	State and Community Highway Safety	20.600	N/A	10,800	-	10,800	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Association of Sheriffs & Police Chiefs)	State and Community Highway Safety	20.600	N/A	4,380	-	4,380	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	N/A	4,873	-	4,873	-	
Total Highway Safety Cluster:				20,053	-	20,053	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	2,889	-	2,889	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Dept of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	21-4614C-105	3,529,522	-	3,529,522	3,529,522	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Dept of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	N/A	1,441	-	1,441	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Dept of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	N/A	48,037	-	48,037	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Administrative Office of the Courts)	COVID 19 - Coronavirus Relief Fund	21.019	N/A	299,083	-	299,083	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Dept of Health)	COVID 19 - Coronavirus Relief Fund	21.019	N/A	643,832	-	643,832	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Dept of Health)	COVID 19 - Coronavirus Relief Fund	21.019	N/A	2,661	-	2,661	-	
Total CFDA 21.019:				4,524,576	-	4,524,576	3,529,522	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Dept of Commerce)	COVID 19 - Emergency Rental Assistance Program	21.023	21-4616C-105	13,972,637	-	13,972,637	13,502,472	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Dept of Commerce)	COVID 19 - Emergency Rental Assistance Program	21.023	21-4618C-105	469,511	-	469,511	454,776	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - Emergency Rental Assistance Program	21.023	N/A	-	13,378,413	13,378,413	12,989,553	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - Emergency Rental Assistance Program	21.023	N/A	-	2,320,397	2,320,397	2,287,037	
		Total CFDA 21.023:		14,442,148	15,698,810	30,140,958	29,233,838	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	1505-0271	-	5,313,038	5,313,038	-	
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA State Dept of Ecology)	Nonpoint Source Implementation Grants	66.460	WQC-2021- CICoPW-00032	29,190	-	29,190	-	
ENERGY, DEPARTMENT OF, ENERGY, DEPARTMENT OF (via WA State Dept of Commerce)	Weatherization Assistance for Low- Income Persons	81.042	F19-53103-406	201,376	-	201,376	-	
ENERGY, DEPARTMENT OF, ENERGY, DEPARTMENT OF (via WA State Dept of Commerce)	Weatherization Assistance for Low- Income Persons	81.042	F21-53103-406	77,906	-	77,906	-	
		Total CFDA 81.042:		279,282	-	279,282	-	
Department of Energy (via WA State Dept of Commerce)	Weatherization Assistance for Low- Income Persons	81.U01	F19-53104-406	114,979	-	114,979	-	
ELECTION ASSISTANCE COMMISSION, ELECTION ASSISTANCE COMMISSION (via WA State Office of Secretary of State)	2018 HAVA Election Security Grants	90.404	IG-6925	50,727	-	50,727	-	

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Public Health Emergency Preparedness	93.069	NU90TP921889 -01	260,764	-	260,764	-	
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Nat'l Assoc of County/City Health Officials)	Food and Drug Administration Research	93.103	5U5OFD00593 3-05	12,000	-	12,000	-	
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Food and Drug Administration Research	93.103	G-SP-1910- 08145	-	3,000	3,000	-	
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Food and Drug Administration Research	93.103	G-T-2010- 08869	-	1,370	1,370	-	
Total CFDA 93.103:				12,000	4,370	16,370	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	5NU52PS00467 4-05-00	32,185	-	32,185	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Injury Prevention and Control Research and State and Community Based Programs	93.136	NU17CE92500 7	57,575	-	57,575	-	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79T1080299	-	253,057	253,057	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	N/A	1,803,994	-	1,803,994	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Immunization Cooperative Agreements	93.268	NH23IP922619	79,205	-	79,205	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	N/A	14,992	-	14,992	-	
Total CFDA 93.268:				1,898,191	-	1,898,191	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Social and Health Services)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	7,710,237	-	7,710,237	-	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NU90TP922009	549,656	-	549,656	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Children, Youth and Families)	Every Student Succeeds Act/Preschool Development Grants	93.434	N/A	5,000	-	5,000	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	State Physical Activity and Nutrition (SPAN	93.439	NU58DP00650 4	72,657	-	72,657	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Social and Health Services)	Temporary Assistance for Needy Families	93.558	1963-52969	325	-	325	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Social and Health Services)	Temporary Assistance for Needy Families	93.558	2163-19704	3,250	-	3,250	-	
Total CFDA 93.558:				3,575	-	3,575	-	

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Social and Health Services)	Child Support Enforcement	93.563	2110-81160	1,649,398	-	1,649,398	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Social and Health Services)	Child Support Enforcement	93.563	1663-67346	52,255	-	52,255	-	
Total CFDA 93.563:				1,701,653	-	1,701,653	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	COVID 19 - Low-Income Home Energy Assistance	93.568	20-3260C-058	714,881	-	714,881	664,500	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	COVID 19 - Low-Income Home Energy Assistance	93.568	21-3260A-058	1,153,393	-	1,153,393	1,053,566	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	Low-Income Home Energy Assistance	93.568	F19-53101-406	425,192	-	425,192	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	Low-Income Home Energy Assistance	93.568	F20-32606-058	555,082	-	555,082	467,239	

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	COVID 19 - Low-Income Home Energy Assistance	93.568	F20-5310C-406	36,261	-	36,261	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	Low-Income Home Energy Assistance	93.568	F21-32606-058	687,811	-	687,811	663,460	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	COVID 19 - Low-Income Home Energy Assistance	93.568	F21-5310C-406	236,380	-	236,380	-	
			Total CFDA 93.568:	3,809,000	-	3,809,000	2,848,765	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	Community Services Block Grant	93.569	F20-32101-006	174,790	-	174,790	131,023	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	Community Services Block Grant	93.569	F21-32101-006	189,397	-	189,397	149,498	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	COVID 19 - Community Services Block Grant	93.569	F21-3210C-006	263,313	-	263,313	159,707	
			Total CFDA 93.569:	627,500	-	627,500	440,228	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	Child Abuse and Neglect State Grants	93.669	2002WANCAN	1,965	-	1,965	-	
Medicaid Cluster								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K2740	25,573	-	25,573	-	
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K3062	290,429	-	290,429	-	
Total Medicaid Cluster:				316,002	-	316,002	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Opioid STR	93.788	HCA K4844	535,442	-	535,442	-	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Washington State Dept of Health)	Maternal, Infant and Early Childhood Home Visiting Grant	93.870	19X10MC33616	215,202	-	215,202	-	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Children, Youth and Families)	Maternal, Infant and Early Childhood Home Visiting Grant	93.870	6X10MC39722-01-01; 21X11MC41900 C6	216,422	-	216,422	-	
			Total CFDA 93.870:	431,624	-	431,624	-	
IMMED OFFICE OF THE SECRETARY OF HEALTH AND HUMAN SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	National Bioterrorism Hospital Preparedness Program	93.889	U3REP190574	66,427	-	66,427	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	HIV Prevention Activities Health Department Based	93.940	NU62PS924528	82,996	-	82,996	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Block Grants for Prevention and Treatment of Substance Abuse	93.959	HCA K3212	794,681	-	794,681	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	NH25PS005146	36,796	-	36,796	-	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Maternal and Child Health Services Block Grant to the States	93.994	B0445251	349,932	-	349,932	-	
EXECUTIVE OFFICE OF THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT	High Intensity Drug Trafficking Areas Program	95.001	G20NW0009A	-	84,282	84,282	-	
EXECUTIVE OFFICE OF THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT	High Intensity Drug Trafficking Areas Program	95.001	G21NW0009A	-	51,521	51,521	-	
EXECUTIVE OFFICE OF THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT (via Educational Service District 105)	High Intensity Drug Trafficking Areas Program	95.001	G19NW0009A	25,497	-	25,497	-	
Total CFDA 95.001:				25,497	135,803	161,300	-	
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA State Park & Recreation)	Boating Safety Financial Assistance	97.012	3320FAS20015 3	23,488	-	23,488	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Dept of Health)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	1,833,483	-	1,833,483	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Clark Regional Emergency Services Agency)	Homeland Security Grant Program	97.067	E18-158	13,265	-	13,265	-	

The accompanying notes are an integral part of this schedule.

Clark County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Total Federal Awards Expended:				47,649,235	26,366,203	74,015,438	39,990,679	

The accompanying notes are an integral part of this schedule.

Clark County, Washington
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

NOTE 1 – Basis of Accounting

The Schedule is prepared on the same basis of accounting as the county's financial statements. The county uses the accrual basis.

NOTE 2 – Federal De Minimis Indirect Cost Rate

The county has elected not to use the 10% De Minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – REVOLVING LOAN – PROGRAM INCOME

The county has a revolving loan program for low-income housing renovation. Under this federal program, repayments to the county are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures. The amount of loan funds disbursed to program participants for the year was \$871,591 and is presented in this schedule. The amount of principal and interest received in loan repayments for the year was \$1,051,886.98.

NOTE 4 – PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the county's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE

Clark County January 1, 2021 through December 31, 2021

This schedule presents the corrective action planned by the County for findings reported in this report in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Finding ref number: 2021-001	Finding caption: The County’s internal controls were inadequate for ensuring compliance with allowable costs and cash management requirements.
Name, address, and telephone of County contact person: Jeff Harbison P.O. Box 9825 Vancouver, WA 98668-8825 (564) 397-8475	
Corrective action the auditee plans to take in response to the finding: <i>A procedure change to no longer manually accrue expenditures unless it is into the final billing period of the funding source has already been implemented.</i>	
Anticipated date to complete the corrective action: Complete	

Finding ref number: 2021-002	Finding caption: The County’s internal controls were inadequate for ensuring compliance with federal requirements for suspension and debarment.
Name, address, and telephone of County contact person: Jeff Harbison P.O. Box 9825 Vancouver, WA 98668-8825 (564) 397-8475	
Corrective action the auditee plans to take in response to the finding: <i>Clark County Public Health staff will ensure future contracts include self-attestation requiring contractors attest they are neither suspended nor debarred. This language already exists in Public Health’s contract boilerplate.</i>	
Anticipated date to complete the corrective action: Complete	

ABOUT THE STATE AUDITOR'S OFFICE

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