



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements and Federal Single Audit Report

## Clark County

For the period January 1, 2022 through December 31, 2022

*Published September 21, 2023*

Report No. 1033262



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

September 21, 2023

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,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

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# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## Clark County January 1, 2022 through December 31, 2022

### 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 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 no 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.

We reported no 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>ALN</u>	<u>Program or Cluster Title</u>
14.231	COVID-19 – Emergency Solutions Grant Program
21.023	COVID-19 – Emergency Rental Assistance Program
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
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 \$2,621,681.

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

## SECTION II – FINANCIAL STATEMENT FINDINGS

See Finding 2022-001.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

### Clark County January 1, 2022 through December 31, 2022

#### **2022-001 The County's internal controls were inadequate for ensuring accurate financial reporting of capital contributions.**

##### *Background*

County management, state and federal agencies, and the public rely on the information included in financial statements and reports to make decisions. County management is responsible for designing, implementing, and maintaining internal controls to ensure the County's financial statements, notes, and required schedules are prepared and presented fairly in accordance with generally accepted accounting principles (GAAP) and provide reasonable assurance regarding their reliability.

Our audit identified deficiencies in the County's internal controls that hindered its ability to produce accurate financial statements. *Government Auditing Standards* requires the State Auditor's Office to communicate material weaknesses in internal controls, defined in the Applicable Laws and Regulations section below, as a finding.

The County has a system in place to capture and track capital asset activity. Various County departments are responsible for ensuring the accuracy of the information reported in the tracking system, including key data like dates and determining whether the transaction is capitalizable, before reporting it to the Auditor's Office for recording in the accounting system.

##### *Description of Condition*

We identified the following deficiencies in internal controls over the County's reporting of capital contributions. When taken together, they represent a material weakness.

Our audit found the County did not ensure key data was accurately entered into the capital asset tracking system. Additionally, the County did not have an effective review in place to detect errors before recording the activity in its accounting system.

### ***Cause of Condition***

Departments responsible for ensuring information was accurately captured in the capital asset tracking system for right of ways and land purchases experienced turnover during the year, and the Auditor's Office relied on this information captured at the department level.

### ***Effect of Condition***

The County's financial statements included the following errors that management did not identify before submitting them for audit:

- A transfer of a right of way that occurred after the fiscal year-end was recorded in the accounting system as a fiscal year 2022 transaction. As a result, land and capital contributions were overstated by \$1,294,904.
- Transactions captured in the capital asset tracking system were not correctly identified as noncapitalizable. As a result, land and capital contributions were overstated by \$41,126,497.

The County subsequently corrected these errors.

### ***Recommendation***

We recommend the County improve internal controls over the recording and review of capital contributions to ensure accurate financial reporting in accordance with GAAP.

### ***County's Response***

*Clark County thanks the Washington State Auditor's Office for their efforts throughout the audit process. The County acknowledges this finding and is committed to making process and policy improvements to fully address the internal control deficiency.*

*As noted, due to staff turnover, key guidance regarding review of land transactions was not carried forward to staff members that should have been involved. In addition, the nature of these transactions was unusual and resulted in confusion for many departments involved in the land transaction. As a result, the land in question was incorrectly identified as donated land and was recorded on the financial statements at market value as a capital contribution. The County should have recorded the land purchase at cost. Moving forward, the County will work to ensure that the internal control structure is more effectively able to persist through potential changes in staffing.*

### *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*

RCW 43.09.200, Local government accounting – Uniform system of accounting, requires the state auditor to prescribe the system of accounting and reporting for all local governments.

The *Budgeting, Accounting and Reporting System* (BARS) Manual, 3.1.3, Internal Control, requires each local government to establish and maintain an effective system of internal controls that provides reasonable assurance that the government will achieve its objectives.

*Government Auditing Standards*, July 2018 Revision, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of law, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.





## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Clark County January 1, 2022 through December 31, 2022

This schedule presents the status of findings reported in prior audit periods.

<b>Audit Period:</b> 2021	<b>Report Reference No.:</b> 1031140	<b>Finding Ref. No.:</b> 2021-001	<b>ALN(s):</b> 93.268
<b>Federal Program Name and Granting Agency:</b> COVID-19 – Immunization Cooperative Agreements U.S. Department of Health and Human Services		<b>Pass-Through Agency Name:</b> Washington State Department of Health	
<b>Finding Caption:</b> The County’s internal controls were inadequate for ensuring compliance with allowable costs and cash management requirements.			
<b>Background:</b> The County’s internal controls were inadequate to prevent or detect when program costs were submitted for reimbursement that had already been submitted and reimbursed by the pass-through agency. As a result, the County was reimbursed \$585,352 for unallowable costs and received a cash advance, which is not allowed by the granting agency.			
<b>Status of Corrective Action: (check one)</b> <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid			
<b>Corrective Action Taken:</b> <i>Manually accrued items are only included in a grant invoice if it is the final billing period for the grant and qualifying expenditures incurred during the grant allocation period will post to the County’s accounting system in a subsequent period.</i>			

<b>Audit Period:</b> 2021	<b>Report Reference No.:</b> 1031140	<b>Finding Ref. No.:</b> 2021-002	<b>ALN(s):</b> 93.323
<b>Federal Program Name and Granting Agency:</b> COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) U.S. Department of Health and Human Services		<b>Pass-Through Agency Name:</b> Washington State Department of Health	
<b>Finding Caption:</b> The County’s internal controls were inadequate for ensuring compliance with federal requirements for suspension and debarment.			
<b>Background:</b> The County’s controls for verifying suspension and debarment before entering into new contracts or purchases of \$25,000 or more paid with federal funds were ineffective for ensuring compliance with suspension and debarment requirements. The audit found the suspension and debarment status for two out of four contractors tested were not verified.			
<b>Status of Corrective Action: (check one)</b> <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid			
<b>Corrective Action Taken:</b> <i>Added to the Department contract template is the following contract term:</i> <ol style="list-style-type: none"> <li><i>1. <u>Debarment or Exclusion.</u> The Contractor certifies that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in any federally funded program by any federal department or agency (Excluded Person) and that no owner, director, officer, or partner with an ownership or control interest in the Contractor is an Excluded Person. In addition, Contractor certifies that no employee or subcontractor of Contractor who will perform work (whether directly or indirectly) under this Contract is an Excluded Person.</i></li> </ol> <i>Further, all contractors are checked for suspension and debarment prior to contract execution.</i>			

## 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, 2022 through December 31, 2022

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, 2022, 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, 2023.

### 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, we identified certain deficiencies in internal control, as described in the accompanying Schedule of Audit Findings and Responses as Finding 2022-001 that we consider to be material weaknesses.

In addition, we also noted certain other matters that we have reported to the management of the County in a separate letter dated June 29, 2023.

## **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*.

## **COUNTY'S RESPONSE TO FINDINGS**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying Schedule of Audit Findings and Responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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.

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Pat McCarthy, State Auditor

Olympia, WA

June 29, 2023 except for our report on the Schedule of Expenditures of Federal Awards, for which the date is September 11, 2023

# 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, 2022 through December 31, 2022

Board of County Councilors  
Clark County  
Vancouver, Washington

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

### Opinion on Each Major Federal Program

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, 2022. The County's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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 major federal programs for the year ended December 31, 2022.

### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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)* 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 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination on the County's compliance with the compliance requirements referred to above.

### **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.

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

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. 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.

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. 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.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **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, stylized initial "P".

Pat McCarthy, State Auditor

Olympia, WA

September 11, 2023

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### Clark County January 1, 2022 through December 31, 2022

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 and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the financial section of our report.

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, 2022, 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 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 – Correction of Prior Year Misstatement**

As discussed in Note 22 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. 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 financial section of our report 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 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, 2023 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, 2023 except for our report on the Schedule of Expenditures of Federal Awards, for which the date is September 11, 2023

**Clark County  
January 1, 2022 through December 31, 2022**

**REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2022

**BASIC FINANCIAL STATEMENTS**

Statement of Net Position – 2022

Statement of Activities – 2022

Balance Sheet – Governmental Funds – 2022

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position – 2022

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – 2022

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities – 2022

General Fund – Statement of Revenues and Expenditures – Budget (GAAP Basis) and Actual – 2022

County Roads – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – 2022

Community Service Grants – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – 2022

American Rescue Plan – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual – 2022

Statement of Net Position – Proprietary Funds – 2022

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds – 2022

Statement of Cash Flows – Proprietary Funds – 2022

Statement of Fiduciary Net Position – Fiduciary Funds – 2022

Statement of Changes in Fiduciary Net Position – Fiduciary Funds – 2022

Notes to Financial Statements – 2022

## **REQUIRED SUPPLEMENTARY INFORMATION**

Other Post Employment Benefits – PERS, PSERS, LEOFF II – 2022

Other Post Employment Benefits – LEOFF I – 2022

Schedule of Proportionate Share of the Net Pension Liability (Asset) – PERS 1,  
PERS 2/3, PSERS, LEOFF 1, LEOFF 2 – 2022

Schedule of Employer Contributions – PERS 1, PERS 2/3, PSERS, LEOFF 2 – 2022

Notes to Required Supplementary Information – Pension – 2022

Modified Approach for Reporting Clark County’s Infrastructure Capital Assets – 2022

Notes to Required Supplementary Information – Modified Approach – 2022

## **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Expenditures of Federal Awards – 2022

Notes to the Schedule of Expenditures of Federal Awards – 2022

## **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, 2022. 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, 2022, by \$1.8 billion (a \$118.7 million increase over December 31, 2021). Of this amount, \$5.5 million reflects prior period adjustments.
- Total net position of the County is comprised of the following:
  - 1) Net investment in capital assets of \$1.5 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 \$259.1 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 \$128.8 million is reported in the 2022 government-wide financial statements.
- For the year ended December 31, 2022, Clark County reported a \$118.7 million increase in net position inclusive of prior period adjustments), compared to a \$127.5 million increase in net position for 2021. Details of contributing factors to the change are included later within this analysis.
- The General Fund's total fund balance increased, from \$57.3 million in 2021 to \$79.9 million in 2022, for an annual increase of 39.4%. Details of contributing factors to the change are included later within this analysis.
- Clark County's total long term liabilities are \$144.9 million at December 31, 2022, (includes \$39.8 million in pension and OPEB liabilities), down from \$148.0 million in 2021 (includes \$8.4 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, no change from the prior year.

### **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. The sewer treatment

operations were transferred to Discovery Clean Water Alliance mid-year so the activities are about one-half of what they were in 2021 and the associated assets and liabilities are removed from the 2022 statement of net position.

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, ARPA 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. The assets of the Sanitary Sewer Fund were transferred to a regional authority prior to year-end.

**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 criterion 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 \$1.8 billion at the end of 2022 (a \$118.7 million increase from 2021).

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 \$128.8 million at the end of 2022. Of the County’s total net position, 79.0% is net investment in capital assets, 14.1% is subject to external restrictions by outside parties, and the unrestricted amount represents 7.0% of the total net position. Unrestricted net position is positive at the end of 2022, a decrease of \$107.2 million over 2021. Pension and OPEB liabilities are a major part of the County's total liabilities. In 2022, these liabilities combined stood at \$39.8 million, an increase of \$6.2 million from 2021. 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 2022 compared with 2021.

***Clark County Net Position***

	Governmental Activities		Business-Type Activities		Total		% of PY
	2022	2021	2022	2021	2022	2021	
Current & other assets	\$ 576,548,327	\$ 573,015,635	\$ 20,679,807	\$ 23,453,724	\$ 597,228,134	\$ 596,469,359	100.1%
Capital assets (net of depreciation)	1,395,307,287	1,350,983,631	126,809,366	120,459,348	1,522,116,653	1,471,442,979	103.4%
Total assets	1,971,855,614	1,923,999,266	147,489,173	143,913,072	2,119,344,787	2,067,912,338	102.5%
Total deferred outflows of resources	36,889,028	16,001,924	608,427	280,496	37,497,455	16,282,420	230.3%
Long term liabilities	144,114,008	146,648,748	780,510	1,361,615	144,894,518	148,010,363	97.9%
Other liabilities	111,851,110	89,201,478	1,190,729	1,610,767	113,041,839	90,812,245	124.5%
Total liabilities	255,965,118	235,850,226	1,971,239	2,972,382	257,936,357	238,822,608	108.0%
Total deferred inflows of resources	55,166,889	118,593,469	623,360	2,402,522	55,790,249	120,995,991	46.1%
Net position:							
Net investment in capital assets	1,328,354,827	1,282,219,613	126,809,366	120,459,347	1,455,164,193	1,402,678,960	103.7%
Restricted	258,541,709	297,841,434	578,416	2,253,941	259,120,125	300,095,375	86.3%
Unrestricted	110,716,099	5,496,448	18,115,219	16,105,376	128,831,318	21,601,824	596.4%
Total net position	\$ 1,697,612,635	\$ 1,585,557,495	\$ 145,503,001	\$ 138,818,664	\$ 1,843,115,636	\$ 1,724,376,159	106.9%

Total liabilities increased \$19.1 million in 2022. Other liabilities increased \$22.7 million while long-term liabilities increased \$(3.1) million. The County's long term debt is explained in more detail in Note 10 and Note 11. Deferred outflows increased \$21.2 million.

Total assets increased \$51.4 million in 2022 from 2021, primarily because of capital asset increase of \$50.7 million and cash position increased of \$59.2 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 decreased \$(65.2) million, due to the decrease in amount related to pensions of \$(64.6) million.

**Governmental activities** net position increased \$112.1 million in 2022, from 2021. Because governmental activities make up 92.1% 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 \$47.9 million in 2022. Capital assets net of depreciation increased \$44.3 million and cash and investments increased \$60.3 million from 2021, 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 2022, Clark County's Governmental Activities deferred outflows increased a net of \$20.9 million. Deferred inflows (DI) decreased \$(63.4) million overall, with individual line-items changes to DI-pensions of \$(64.6) million, DI-lessor financing leases of \$(1.5) million, and DI-amount related to debt refunding of \$0.8 million.

Governmental total liabilities increased \$20.1 million. Long term liabilities decreased \$(2.5) million, primarily due to change in pension liabilities. Governmental activities had an unrestricted net position of \$110.7 million in 2022, compared to a unrestricted net position of \$5.5 million in 2021.

**Business-type** net position increased \$6.7 million in 2022 over 2021. 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 \$6.4 million or 5.3% while the unrestricted portion of the net position increased from \$16.1 million to \$18.1 million. In 2021, 11.6% of the total net position for business-type activities was unrestricted, while at December 31, 2022, 12.5% was unrestricted.

#### **Analysis of Changes in Net Position**

The County's total change in net position (includes prior year adjustments) related to 2022 activities was an increase of \$118.7 million compared to an increase of \$129.8 million in 2021. The condensed financial information that follows is derived from the Government-Wide Statement of Activities and reflects how the County's 2022 changes in net position compare with 2021.

**Clark County Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>Program Revenues</b>						
Charges for services	\$ 101,942,890	\$ 93,863,591	\$ 15,191,198	\$ 17,579,412	\$ 117,134,088	\$ 111,443,003
Operating grants and contributions	132,714,551	109,191,586	638,669	308,893	133,353,220	109,500,479
Capital grants and contributions	17,163,017	21,238,656	3,343,343	1,757,228	20,506,360	22,995,884
<b>General Revenues</b>						
Taxes	221,132,527	215,762,520	-	-	221,132,527	215,762,520
Gain on sale of assets	238,634	783,755	(3,107)	(221,042)	235,527	562,713
Interest earnings	(4,029,452)	4,530,327	(374,933)	(63,824)	(4,404,385)	4,466,503
Insurance Recoveries	-	-	-	-	-	-
<b>Total revenues</b>	<b>469,162,167</b>	<b>445,370,435</b>	<b>18,795,170</b>	<b>19,360,667</b>	<b>487,957,337</b>	<b>464,731,102</b>
<b>Program Expenses*:</b>						
General government	95,741,040	75,811,871	-	-	95,741,040	75,811,871
Public safety	84,658,203	74,612,119	-	-	84,658,203	74,612,119
Transportation	39,724,059	38,338,790	-	-	39,724,059	38,338,790
Natural and Economic environment	75,846,885	72,579,195	-	-	75,846,885	72,579,195
Social Services	39,010,412	42,490,344	-	-	39,010,412	42,490,344
Culture & recreation	23,243,627	14,122,651	-	-	23,243,627	14,122,651
Solid Waste	-	-	2,342,440	2,071,680	2,342,440	2,071,680
Stormwater	-	-	6,534,437	6,160,603	6,534,437	6,160,603
Golf Course	-	-	2,023,803	1,776,776	2,023,803	1,776,776
Sewer	-	-	2,375,614	4,268,074	2,375,614	4,268,074
Interest on long term debt	2,530,332	2,685,165	-	-	2,530,332	2,685,165
<b>Total expenses</b>	<b>360,754,558</b>	<b>320,640,135</b>	<b>13,276,294</b>	<b>14,277,133</b>	<b>374,030,852</b>	<b>334,917,268</b>
Excess (deficiency) of revenues over (under) expenses	108,407,609	124,730,300	5,518,876	5,083,534	113,926,485	129,813,834
Special Item	-	-	(699,975)	-	(699,975)	-
Transfers	848,015	495,000	(848,015)	(495,000)	-	-
<b>Change in Net Position</b>	<b>109,255,624</b>	<b>125,225,300</b>	<b>3,970,886</b>	<b>4,588,534</b>	<b>113,226,510</b>	<b>129,813,834</b>
<b>Net position as of January 1</b>	<b>1,585,557,495</b>	<b>1,462,738,599</b>	<b>138,818,664</b>	<b>134,105,125</b>	<b>1,724,376,159</b>	<b>1,596,843,724</b>
Prior period adjustments	2,799,516	(2,406,404)	2,713,669	125,005	5,513,185	(2,281,399)
Change in accounting principle	-	-	-	-	-	-
<b>Net position as of December 31</b>	<b>\$ 1,697,612,635</b>	<b>\$ 1,585,557,495</b>	<b>\$ 145,503,219</b>	<b>\$ 138,818,664</b>	<b>\$ 1,843,115,854</b>	<b>\$ 1,724,376,159</b>

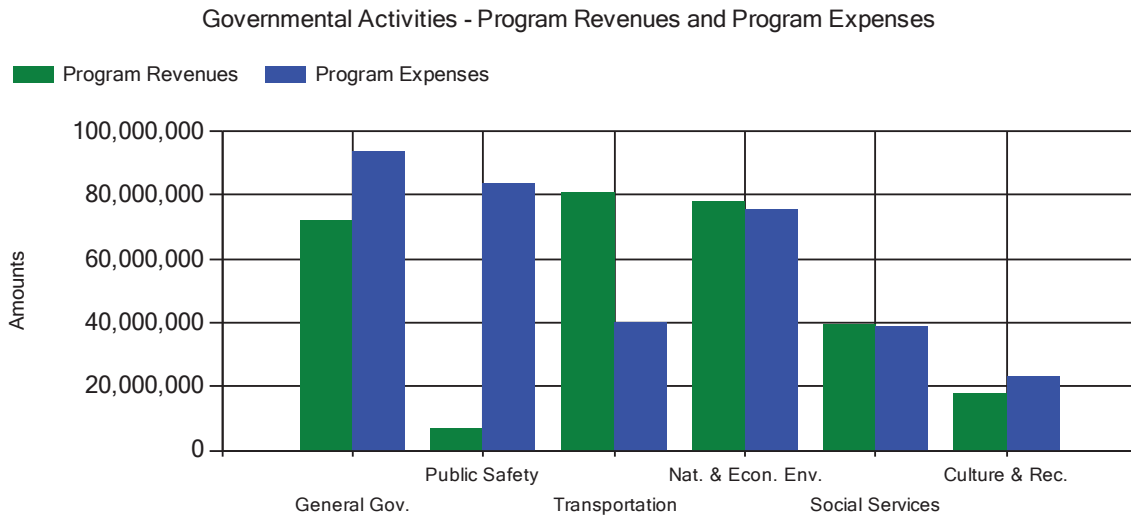
\*Total program expenses include the indirect expense allocation

Total revenues increased \$23.2 million in 2022 from 2021, with governmental activities increasing \$23.8 million and business-type activities decreasing \$(0.6) million. Tax revenue increased \$5.4 million in 2022 from 2021, and accounted for 45.3% of total revenues in 2022. Property Tax revenue increased \$3.1 million in 2022, while sales/use and excise/other taxes, combined, increased \$2.3 million. Charges for services increased \$5.7 million in 2022 while grants and contributions increased \$21.4 million. The increase in grants and contributions is due to the federal government providing second funding to address the COVID 19 pandemic. In 2022, governmental activities provided \$469.2 million, or 96.1%, of revenues while business-type activities provided \$18.8 million, or 3.9%.

The County's expenses cover a range of services, the largest two of which were for general government and public safety (combined account for 48.2%), followed by transportation (10.6%), social services (10.4%), culture and recreation (6.2%) and economic environment (20.3%). Utilities, golf course and interest expense combined are (4.3%). Total expenses for the year were \$374.0 million, increasing \$39.1 million from 2021. Governmental activities accounted for 95.7% of total County expenses. Governmental activity expenses increased \$40.4 million in 2022 (over 2021), while business type activity expenses decreased \$(1.4) million.

**Governmental activities** – General government function expenses increased by \$19.9 million, public safety increased \$10.0 million, and transportation expenses increased by \$1.4 million, compared to prior year expenses. The increases 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 \$3.3 million, social services decreased \$(3.5) million, culture and recreation increased \$9.1 million and interest on long-term debt remained the same.

The following graph illustrates 2022 governmental activities program revenues and expenses by function.



**Business-type activities** – Business-type activities revenue decreased \$(0.5) million to \$18.8 million in 2022 when compared to 2021. Contributions and grants increased \$1.9 million. Charges for services decreased \$(2.4) million.

Overall expenses for the year decreased \$(1.0) million to \$13.3 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, American Rescue Plan Fund and Development Impact Fee Fund are the major governmental funds in 2022.

As of December 31, 2022, the County's governmental funds reported combined ending fund balances of \$338.8 million, a \$49.3 million increase from 2021. Total governmental assets increased \$69.0 million this year. There is a \$56.2 million increase in cash, deposits and investments due to cash received for the COVID-19 pandemic and a \$(17.1) million decrease in accounts receivable, amounts due from other governments and due from other funds, combined. Lessor financing leases are \$20.8 million. Advances due from other funds increased \$3.7 million. Changes are discussed below, within the specific funds and fund type.

Total governmental liabilities and deferred inflows of resources, combined, are \$146.0 million in 2022, compared to \$126.3 million in 2021, an increase of \$19.7 million. Among the most significant changes are an increase of \$16.7 million in unearned revenue due to the American Rescue Plan Act.

The **General Fund's** total fund balance increased \$22.6 million, from \$57.3 million in 2021 to \$79.9 million in 2022. In 2022, \$11.5 million was transferred out to other funds, compared to \$34.2 million in 2021. There was a \$(0.1) million decrease of unassigned fund balance in the General Fund at the end of 2022.

Total assets increased \$17.0 million in 2022, over 2021. Cash and investments and deposits in trust, combined, at the end of the year were \$21.4 million higher than at the end of 2021. Due from other funds decreased \$(2.4) million in 2022.

General Fund liabilities and deferred inflows of resources, combined, are \$19.7 million at December 31, 2022, compared to \$25.3 million in 2021, a decrease of \$(5.6) million. Accounts payable and accrued liabilities, combined, increased \$0.9 million, due to other funds decreased \$(0.4) million in 2022, compared to 2021, and deferred inflows decreased \$(3.2) million. Deferred inflows due to unavailable revenue (other/accounts receivable and courts) decreased \$(0.7) million.

The **County Roads** major fund total fund balance increased \$7.8 million, from \$28.2 million in 2021 to \$36.1 million in 2022. Total assets increased \$11.3 million. Cash, cash equivalents and pooled investments increased by \$0.3 million and due from other governments decreased by \$(6.3) million. Total liabilities and deferred inflows increased \$3.4 million from \$3.6 million in 2021 to \$7.0 million in 2022.

The **Community Services Grants** major fund reported a \$(1.8) million decrease in fund balance at the end of 2022. Total assets decreased by \$(6.1) million, namely cash, cash equivalents and pooled investments, while total liabilities decreased \$(4.2) million, split between accounts payable and due to other funds.

The **American Rescue Plan** major fund is used to collect and disburse federal grant (ARPA) monies the County received for recovery from the COVID 19 pandemic. The fund received monies that are restricted for federally approved grant expenditures, and currently has \$62.2 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 2022, total assets were \$66.7 million and total liabilities were the same, \$66.7 million. The County is required to spend the grant monies by December 31, 2026 and obligate all monies 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 \$3.1 million



in 2022 compared to 2021. There are no major liabilities in this fund. The fund balance increased from \$43.5 million in 2021 to \$45.5 million in 2022.

**Non-major governmental funds** combined increased total fund balance by \$18.8 million from December 31, 2021 to December 31, 2022. Total assets increased \$57.3 million, while cash and investments decreased \$18.0 million. Total liabilities decreased \$(0.2) million. The amounts above are normalized to take into account the change of the Campus Development fund no longer being included as a major fund reported in 2021.

**Fund balance:** Approximately 71.9% of the governmental fund balance (\$243.5 million) is non-spendable or restricted by constraints outside county government. An additional 15.4%, (\$52.1 million), is committed or assigned for specific purposes, such as technology improvements, housing, mental health, public safety programs, and compensated absences. The remaining 12.7%, (\$43.2 million), is available for spending at the County's discretion.

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

Governmental fund revenues total \$451.9 million for 2022, compared to \$426.3 million in 2021 (up \$25.6 million, a 6.0% increase). Tax revenue increased \$6.8 million in 2022 and accounted for 49.4% of total governmental revenue collected in 2022. Intergovernmental revenue (predominately grants) increased \$29.9 million in 2022 from 2021 and accounted for 32.0% of total governmental revenue in 2022. Charges for services and licenses and permit revenue, combined, account for 17.3% of total revenues, and decreased by \$(4.7) million in 2022. Interest earnings decreased \$(7.5) million in 2022.

Governmental funds expenditures were \$408.7 million in 2022, an increase of \$42.4 million from 2021. Current expenditures account for 88.2% of total expenditures, while capital outlay accounts for 8.1% and debt service accounts for 3.7% of total expenditures. Details regarding the changes in revenues and expenditures from 2021 to 2022 follow.

The **General Fund** is the chief operating fund for the County. General Fund revenues increased \$3.2 million from 2021 to 2022, while expenditures increased \$11.8 million during the same period.

The largest decrease in General Fund revenue in 2022 came from a \$(3.0) million decrease in interest revenue due to the mark-to-market adjustment for bond investments. The General fund had a \$4.1 million increase in sales tax revenues (in part due to residential construction and increases in population) and a \$1.4 million increase in property tax revenue (assessed value increases due to new construction in 2020, levy increases in 2021, with collections in 2022).

For current expenditure reporting in 2022, general government current expenditures increased \$2.0 million, public safety increased \$2.3 million, and culture and recreation current expenditures increased \$0.5 million. Natural and economic environments increased \$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 2022, the net change in fund balance was an increase of \$7.8 million.

Total revenue increased \$6.3 million overall from 2021 to 2022. Property tax recorded an increase of \$0.7 million, intergovernmental revenue (grants) of \$5.2 million and charges for services

increased \$1.3 million. Current expenditures increased by \$1.8 million in 2022, while capital outlay for road construction increased \$6.0 million. Transfers in reflects capital contributions from other funds including traffic impact fees. This increased \$0.7 million in 2022 versus 2021.

**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 2022 was a decrease of \$(1.8) million.

Revenues overall remained the same in year 2022 versus 2021, at \$55.9 million. Charges for services provided to clients decreased by \$(2.9) million in 2022. Intergovernmental revenues (grants) increased \$3.2 million and represent 93.3% of total revenue. Expenditures increased \$4.0 million, due to the Covid 19 pandemic response. Transfers in represents financial support from the General Fund, which decreased \$(0.5) million in 2022.

**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 as second round funding for the COVID-19 response. The fund balance for 2022 was small due to the revenues and expenses being aligned. Revenues for 2022 were \$27.3 million and expenditures (including transfers) for 2022 were \$28.4 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. Transfers out are made to other funds when participating in capital projects with multiple funding sources. Fund balance increased \$2.0 million in 2022 versus \$9.2 million in 2021. In 2022, revenues decreased \$(3.8) million and total expenses including transfers out increased \$3.4 million

**Nonmajor Governmental Funds** in the aggregate are discussed below. For 2022, the Campus Development is being reported as a nonmajor fund for 2022. In the prior year it was reported as a major fund. The comparison below normalizes the data between the years.

Combined, the net change in nonmajor fund balances is a \$18.8 million increase in 2022 from 2021.

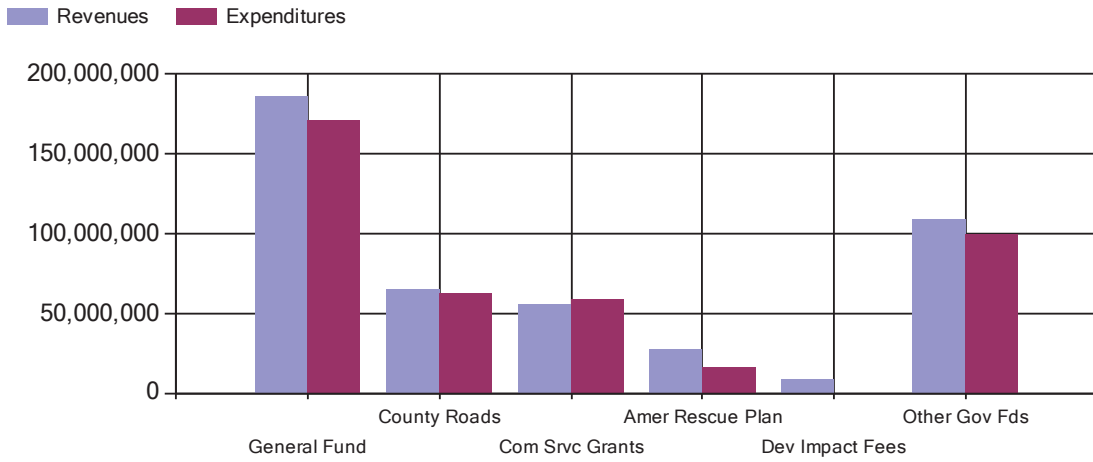
Total non-major governmental funds revenue decreased \$(2.0) million in 2022 over 2021. Taxes increased \$0.9 million. Intergovernmental revenue decreased by \$(3.3) million. Charges for services decreased \$0.6 million. Interest earnings decreased \$(2.7) million due to mark-to-market adjustments . Other revenues increased by \$1.7 million.

Total non-major governmental funds expenditures decreased by \$(5.0) million. Social services expenditure decreased \$(8.7) million and culture & recreation increased \$3.9 million, with minor changes to other items.

Total other financing sources/uses increased \$8.4 million in 2022 over 2021. Right-To-Use (RTU) capital asset related financings for new lessee leases and SBITAs is \$0.6 million in 2022 versus \$0.5 million in 2021.

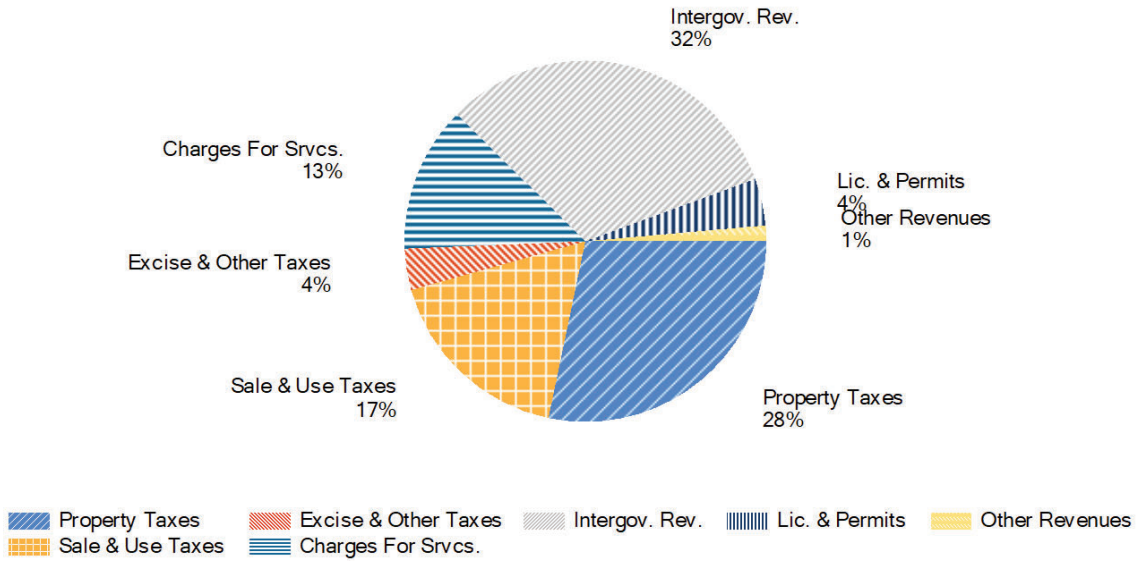
The following chart shows the revenue and expenditure amounts for the year ended December 31, 2022, for the six major governmental funds and for all other governmental funds, combined. Revenues do not include interfund transfers in or proceeds from debt or the sale of assets and expenditures do not include interfund transfers out:

### Governmental Funds Revenues and Expenditures



The following chart shows total governmental revenues by percentage for each type of revenue for the year ended December 31, 2022.

### Governmental Revenues By Source



### 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, 2022, compared to the prior year.

<b>Clark County Washington Enterprise Funds - Statement of Net Position</b>						
	<u>Major</u>		<u>Non-Major</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Total current assets	\$ 12,227,231	\$ 11,827,638	\$ 7,912,017	\$ 8,959,826	\$ 20,139,248	\$ 20,787,464
Total non current assets	119,263,342	113,555,379	8,124,440	9,157,909	127,387,782	122,713,288
Total assets	<u>131,490,573</u>	<u>125,383,017</u>	<u>16,036,457</u>	<u>18,117,735</u>	<u>147,527,030</u>	<u>143,500,752</u>
Total deferred outflows of resources	<u>418,014</u>	<u>135,623</u>	<u>190,413</u>	<u>144,873</u>	<u>608,427</u>	<u>280,496</u>
Total current liabilities	907,443	423,626	341,029	798,666	1,248,472	1,222,292
Total non current liabilities	573,271	432,803	187,135	904,967	760,406	1,337,770
Total liabilities	<u>1,480,714</u>	<u>856,429</u>	<u>528,164</u>	<u>1,703,633</u>	<u>2,008,878</u>	<u>2,560,062</u>
Total deferred inflows of resources	<u>427,767</u>	<u>1,163,811</u>	<u>195,593</u>	<u>1,238,711</u>	<u>623,360</u>	<u>2,402,522</u>
Total net position	<u>\$ 130,000,106</u>	<u>\$ 123,498,400</u>	<u>\$ 15,503,113</u>	<u>\$ 15,320,264</u>	<u>\$ 145,503,219</u>	<u>\$ 138,818,664</u>

Total assets for enterprise funds increased \$4.0 million. Current assets decreased \$(0.6) million, non current assets increased \$4.7 million. Cash and investments decreased \$(1.1) million at the end of 2022 over 2021.

Total liabilities and deferred inflows, combined, decreased \$(2.3) million.

The County transferred the remaining assets of the Sanitary Sewer Fund (sewer treatment plant and financial assets and liabilities) to a regional government at June 30, 2022. Total assets decreased by \$(2.6) million and total liabilities decreased by \$(2.0) 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 \$130.0 million at the end of 2022, or an increase of \$6.5 million over 2021. Liabilities decreased by \$(0.6) million. The Clean Water Fund has an unrestricted fund balance (resources available for discretionary spending) of \$10.7 million in 2022, compared to \$9.9 million in 2021.

**Enterprise Funds Revenue and Expense Analysis**

The **Clean Water Fund** total operating revenues for 2022 were \$7.8 million and was fairly consistent with prior years revenue. Operating expenses were \$6.5 million in 2022, compared to \$6.2 million in 2021. Operating income for 2022 is \$1.2 million, a decrease of \$(0.3) million over 2021.

The nonmajor funds operating revenues were reduced by \$(2.4) million and operating expenses were reduced by \$(1.4) million due to the transfer of the sewer treatment plant at June 30, 2022, to the regional sewer utility.

The following table reflects the enterprise funds revenues and expenses for the year ending December 31, 2022, compared to the prior year.

**Clark County Washington**  
**Enterprise Funds - Revenues and Expenses**

	<u>Major</u>		<u>Non-Major</u>		<u>Total</u>	
	<u>Clean Water</u>					
	2022	2021	2022	2021	2022	2021
Total operating revenues	\$ 7,758,747	\$ 7,698,166	\$ 7,399,526	\$ 9,874,271	\$ 15,158,273	\$ 17,572,437
Total operating expenses	6,534,219	6,156,703	6,741,857	8,116,530	13,276,076	14,273,233
Operating income (loss)	1,224,528	1,541,463	657,669	1,757,741	1,882,197	3,299,204
Total non-operating revenues(expenses)	(34,033)	(21,979)	327,369	49,081	293,336	27,102
Income (loss) before contributions and transfers	1,190,495	1,519,484	985,038	1,806,822	2,175,533	3,326,306
Extraordinary item/special item	-	-	(699,975)	-	(699,975)	-
Capital contributions	3,343,343	1,757,228	-	-	3,343,343	1,757,228
Transfers, net	(641,922)	(300,000)	(206,093)	(195,000)	(848,015)	(495,000)
Change in net position	3,891,916	2,976,712	78,970	1,611,822	3,970,886	4,588,534
Net position, January 1	123,498,400	120,521,688	15,320,264	13,583,437	138,818,664	134,105,125
Change in accounting principle						
Prior period adjustment	2,609,790	-	103,879	125,005	2,713,669	125,005
Net Position January 1-restated	126,108,190	120,521,688	15,424,143	13,708,442	141,532,333	134,230,130
Net position, December 31	\$ 130,000,106	\$ 123,498,400	\$ 15,503,113	\$ 15,320,264	\$ 145,503,219	\$ 138,818,664

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

### **Analysis of Original versus Final 2022 Annual Budget**

The County adopted an annual budget for the period January 1, 2022, through December 31, 2022. 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 7.1% from the original budget and appropriated expenditures increased 2.6% from the original budget.

Budgeted revenue increases reflected sales tax revenue than was higher than originally estimated. Sales tax estimates increased \$9.5 million.

Expenditure appropriations increased \$4.7 million driven largely by expenditure increases of \$2.5 million in general government, appropriated transfers out increased \$4.4 million

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. The mark-to-market adjustment for investments caused actual interest revenue to be slightly negative for 2022.

**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, 2022**

	Original 2022 Budget	Final 2022 Budget	2022 Actual	Variance with Final Budget Positive/ (Negative)
<b>Revenues:</b>				
Taxes	\$ 122,441,557	\$ 131,955,532	\$ 134,404,908	\$ 2,449,376
Licenses & permits	3,513,571	3,513,571	3,628,519	114,948
Intergovernmental	15,901,427	18,882,764	18,814,075	(68,689)
Charges for services	30,938,216	31,162,234	26,938,469	(4,223,765)
Fines & forfeitures	2,216,747	2,216,747	2,073,500	(143,247)
Miscellaneous	3,766,449	3,766,449	(260,415)	(4,026,864)
Total revenues	<u>178,777,967</u>	<u>191,497,297</u>	<u>185,599,056</u>	<u>(5,898,241)</u>
<b>Expenditures</b>				
Current:				
General government	81,424,074	83,955,078	74,025,418	9,929,660
Public safety	84,212,802	85,797,908	82,169,015	3,628,893
Transportation	1,274,819	1,556,452	754,072	802,380
Natural & Economic env.	2,667,798	2,846,627	2,527,766	318,861
Social services	1,912,068	1,918,315	1,664,913	253,402
Culture and recreation	2,400,919	2,435,348	2,546,756	(111,408)
Capital outlay:	-	-	-	
General government	97,000	135,450	5,377,161	(5,241,711)
Public safety	-	-	465,101	(465,101)
Transportation	2,108,939	2,108,939	55,859	2,053,080
Culture and recreation	-	-	7,077	(7,077)
Principal	-	-	1,329,881	(1,329,881)
Interest	-	3,978	79,291	(75,313)
Total expenditures	<u>176,098,419</u>	<u>180,758,095</u>	<u>171,002,310</u>	<u>9,755,785</u>
Excess (deficiency) of revenues over expenditures	2,679,548	10,739,202	14,596,746	3,857,544
Sale of capital assets	-	-	36,346	36,346
Refunding proceeds from long term bonds	-	-	4,209	4,209
Finance lease and SBITA	-	-	4,931,894	4,931,894
Transfers in	228,946	15,189,601	13,025,386	(2,164,215)
Transfers out	(11,816,504)	(16,218,372)	(11,526,412)	4,691,960
Total other financing sources(uses)	(11,587,558)	(1,028,771)	6,471,423	7,500,194
Net change in fund balance	(8,908,010)	9,710,431	21,068,169	11,357,738
Fund balance as of January 1	<u>57,317,932</u>	<u>57,317,932</u>	<u>57,317,932</u>	<u>-</u>
Prior period adjustment			\$ 1,537,541	1,537,541
Fund balance as of December 31	<u>\$ 48,409,922</u>	<u>\$ 67,028,363</u>	<u>\$ 79,923,642</u>	<u>\$ 11,357,738</u>

### **General Fund Budget to Actual Comparison**

Actual revenues are 3.2%, or \$5.9 million, under the final revenue budget. Expenditures at the end of the year are 94.6% of the final budget, generating expenditure savings of \$9.8 million. Significant revenue increases occurred in taxes of \$2.4 million. The expenditure savings of \$9.8 million reflected namely not filling positions (supporting savings of \$9.9 million in general governmental, \$3.6 million in public safety, and \$1.3 million elsewhere) and holding off capital outlay of \$1.6 million.

The fund balance in the General Fund including prior period adjustments increased \$22.6 million during 2022 to \$79.9 million.

## **CAPITAL ASSET, INFRASTRUCTURE, AND DEBT ADMINISTRATION**

### **Capital Assets**

Total capital asset value as of December 31, 2022 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, intangible assets including right-to-use (RTU) assets financed from lessee leases and service-based it arrangements (SBITAs), and construction in progress. Of this amount, \$876.8 million (55.8%) is infrastructure (such as roads, bridges, stormwater facilities and pathways) and \$420.1 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 \$20.6 million in 2022 on transportation projects. Capitalized governmental infrastructure projects totaled \$17.4 million and land was \$14.6 million.
- Business type capitalized additions were infrastructure of \$1.9 million and land of \$0.9 million. Of these amounts, substantially all are stormwater facilities and land valued at \$2.8 million that was contributed by developers in 2022, versus \$1.7 million in 2021.
- Intangible assets-software additions to capital assets (both on-premise and SBITAs implementations) totaled \$7.0 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 \$4.9 million. Other governmental machinery and equipment purchases were \$1.8 million; total amount capitalized \$4.9 million.

The County uses the modified approach to report infrastructure 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 and there have been no significant changes to the condition level of any of the capital assets the county maintains. See Required Supplemental Information (RSI). 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, 2022, Clark County had total bonded debt outstanding of \$46.8 million (including unamortized premiums/discounts of \$0.6 million), compared to \$58.7 million a year earlier. The annual change reflects new bonds issues of \$24.2 million and bond principal redeemed of \$36.0 million. All bonded debt is held in governmental activities and is backed by the full faith and credit of the County. 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 2022, the County's financial condition continues to recover 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 28.3% of total 2022 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 2022; previously, the last year the Council took the increase was in 2012. Property tax revenue increased by 3.7% in 2022, following an increase of 3.2% in 2021.

Sales and use tax revenues are another significant revenue source for the County (17.4% of total revenues). Taxable retail sales in Clark County, which are impacted by construction activity, increased 7.4% in 2022, following an increase of 17.4% in 2021.

Governmental charges for services increased \$8.1 million, or 8.6% in 2022. Government-wide operating grants and contributions increased \$21.4 million, or 16.1%. The federal ARPA grant is the second round of general grant funding to address the impacts of the COVID-19 pandemic.

Construction related single-family residential building permits issued by the Community Development Department decreased to 929 in 2022 from 1,178 in 2021, and multi-family permits in 2022 totaled 36 (412 units) compared to 22 (404 units) in 2021. Construction related commercial building permits in 2022 totaled 149 compared to 127 in 2021.

Other factors impacting the economic condition are: The annual inflation rate (CPI-U West B/C) is 10.2% at the end of 2022, down from 3.0% (revised) in 2021. The Clark County annual average unemployment rate for the year 2022 was 4.7%, down from 5.5% in 2021.

#### **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, 2022**

	Primary government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Clark County Public Facilities District
<b>ASSETS</b>				
Cash, cash equivalents & pooled investments	\$ 433,135,645	\$ 18,796,491	\$ 451,932,136	\$ 430,919
Deposits in trust	715,000	-	715,000	-
Net Receivables	82,216,731	1,268,101	83,484,832	339,093
Inventories	3,317,823	-	3,317,823	-
Prepays	4,991,421	36,799	5,028,220	-
Notes receivable	12,093,730	-	12,093,730	2,438,460
Capital assets not being depreciated:				
Land, infrastructure and construction in progress	1,224,929,089	125,455,663	1,350,384,752	-
Capital assets net of accumulated depreciation	170,378,198	1,353,703	171,731,901	-
Net pension asset	40,077,977	578,416	40,656,393	-
Total assets	1,971,855,614	147,489,173	2,119,344,787	3,208,472
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Amounts related to pensions	35,350,894	594,566	35,945,460	-
Amounts related to Asset Retirement Obligations	345,514	-	345,514	-
Amounts related to OPEB	1,192,620	13,861	1,206,481	-
Total deferred outflows of resources	36,889,028	608,427	37,497,455	-
<b>LIABILITIES</b>				
Internal balances	(531,471)	531,471	-	-
Accounts payable and other current payables	21,123,588	385,566	21,509,154	509,341
Accrued liabilities	7,183,100	141,530	7,324,630	-
Deposits payable	5,509,064	31,283	5,540,347	-
Due to other governments	2,654,885	34,410	2,689,295	-
Unearned revenue	75,911,944	66,251	75,978,195	-
Long term liabilities:				
Other due within one year	15,839,420	20,104	15,859,524	-
Other due in more than one year	88,908,680	346,743	89,255,423	-
Net pension liability	17,082,566	367,702	17,450,268	-
Total OPEB Liability	22,283,342	45,961	22,329,303	-
Total liabilities	255,965,118	1,971,021	257,936,139	509,341
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Amounts related to pensions	34,489,808	623,157	35,112,965	-
Amounts related to OPEB	9,695	203	9,898	-
Amounts Related to Leases	19,823,460	-	19,823,460	-
Amounts related to Refunding	843,926	-	843,926	-
Total deferred inflows of resources	55,166,889	623,360	55,790,249	-
<b>NET POSITION</b>				
Net investment in capital assets	1,328,354,827	126,809,366	1,455,164,193	-
Restricted for:				
Culture and recreation	57,070,292	-	57,070,292	-
Economic environment	66,645,768	-	66,645,768	-
Public Safety	2,195,171	-	2,195,171	-
Debt service- debt covenants	13,169,035	-	13,169,035	-
Transportation	33,590,447	-	33,590,447	-
Health and human services	38,874,604	-	38,874,604	-
Landfill and other remediation	5,470,248	-	5,470,248	-
General government	1,298,166	-	1,298,166	-
Workers compensation claims	150,000	-	150,000	-
Pension	40,077,978	578,416	40,656,394	-
Unrestricted	110,716,099	18,115,437	128,831,536	2,699,131
Total net position	\$ 1,697,612,635	\$ 145,503,219	\$ 1,843,115,854	\$ 2,699,131

See accompanying notes to the financial statements

**CLARK COUNTY, WASHINGTON**  
Statement of Activities  
For the Year Ended December 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Clark County Public Facilities District
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
						Governmental Activities	Business- Type Activities	
<i>Primary Government:</i>								
<i>Governmental Activities:</i>								
General government	\$ 102,930,013	\$ (7,188,973)	\$ 32,275,449	\$ 39,652,505	\$ -	\$ (23,813,086)	\$ -	\$ (23,813,086)
Public safety	84,512,975	145,228	3,849,657	2,881,363	-	(77,927,183)	-	(77,927,183)
Transportation	37,029,160	2,694,899	13,730,728	7,366,166	17,163,017	(1,464,148)	-	(1,464,148)
Natural & Economic	74,528,179	1,318,706	19,666,096	58,002,709	-	1,821,920	-	1,821,920
Social services	37,250,570	1,759,842	20,537,185	19,132,726	-	659,499	-	659,499
Culture and recreation	22,910,435	333,192	11,883,775	5,679,082	-	(5,680,770)	-	(5,680,770)
Interest on long term debt	2,530,332	-	-	-	-	(2,530,332)	-	(2,530,332)
Total governmental activities	361,691,664	(937,106)	101,942,890	132,714,551	17,163,017	(108,934,100)	-	(108,934,100)
<i>Business-type Activities:</i>								
Solid waste	2,176,295	166,145	2,667,320	463,673	-	788,553	-	788,553
Golf course	2,023,803	-	2,340,699	-	-	316,896	-	316,896
Water	6,187,047	347,390	7,771,769	174,996	3,343,343	4,755,671	-	4,755,671
Sewer	1,952,043	423,571	2,411,410	-	-	35,796	-	35,796
Total business-type activities	12,339,188	937,106	15,191,198	638,669	3,343,343	5,896,916	-	5,896,916
Total primary government	374,030,852	-	117,134,088	133,353,220	20,506,360	(108,934,100)	-	(103,037,184)
<i>Component Unit</i>								
Public Facilities District	5,992,235	-	-	1,985,346	-	-	-	(4,006,889)
Total Component Unit	5,992,235	-	-	1,985,346	-	-	-	(4,006,889)
<i>General Revenues:</i>								
Property taxes						125,862,259	-	125,862,259
Sales taxes						78,603,980	-	78,603,980
Excise and other taxes						16,666,288	-	16,666,288
Interest and investment earnings						(4,029,452)	(374,933)	(4,404,385)
Gain on sale of capital assets						238,634	(3,107)	235,527
Special item						-	(699,975)	(699,975)
Transfers						848,015	(848,015)	-
Total general revenues and transfers						218,189,724	(1,926,030)	216,263,694
Change in net position						109,255,624	3,970,886	113,226,510
Net position as of January 1						1,585,557,495	138,818,664	1,724,376,159
Prior Period Adjustment						2,799,516	2,713,669	5,513,185
Net position as of January 1, restated						1,588,357,011	141,532,333	1,729,889,344
Net position as of December 31						\$ 1,697,612,635	\$ 145,503,219	\$ 1,843,115,854

See accompanying notes to the financial statements

**Clark County Washington**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2022**

	<u>Special Revenue Major Funds</u>			
	<u>General Fund</u>	<u>County Roads</u>	<u>Community Services Grants</u>	<u>American Rescue Plan</u>
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 73,991,140	\$ 25,008,162	\$ 15,612,847	\$ 65,830,516
Taxes receivable	13,938,127	1,903,234	-	-
Accounts receivable	7,232,721	128,474	455,653	-
Interest receivable	-	-	-	-
Lease receivable	-	-	-	-
Due from other funds	618,612	5,806,491	84,389	221
Due from other governments	2,082,853	7,643,549	7,545,753	-
Inventory	2,090	2,450,993	-	-
Prepaid expenditures	1,417,907	146,906	6,523	901,212
Notes/contract receivables	294,396	-	11,797,904	-
Total assets	99,577,846	43,087,809	35,503,069	66,731,949
<b>Liabilities, deferred inflows of resources and fund balance</b>				
<i>Liabilities</i>				
Accounts payable	1,838,857	2,518,906	7,363,774	3,020,077
Other payables	45,281	2,345	190	-
Due to other funds	2,266,946	721,351	24	1,459,278
Due to other governments	580,246	269,222	294,091	26,144
Claims and judgements payable	115,566	-	-	-
Accrued liabilities	4,900,928	784,166	94,915	56,383
Deposits payable	3,098,237	579,138	51,500	-
Unearned revenue	443,151	479,516	259,751	62,166,063
Total liabilities	13,289,212	5,354,644	8,064,245	66,727,945
<i>Deferred Inflows of Resources</i>				
Unavailable revenue-property taxes	1,038,343	979,457	-	-
Deferred inflows-leases	-	-	-	-
Unavailable other revenue	1,401,080	695,343	-	-
Unavailable revenue-court	3,925,569	-	-	-
Unavailable revenue-settlements	-	-	-	-
Total deferred inflows of resources	6,364,992	1,674,800	-	-
<i>Fund Balance</i>				
Nonspendable	1,419,945	2,597,898	6,522	901,213
Restricted	-	33,116,035	27,310,806	-
Committed	-	-	-	-
Assigned	34,424,024	344,432	121,496	9,309
Unassigned	44,079,673	-	-	(906,518)
Total fund balance	79,923,642	36,058,365	27,438,824	4,004
Total liabilities, deferred inflows of resources, and fund balance	\$ 99,577,846	\$ 43,087,809	\$ 35,503,069	\$ 66,731,949

See accompanying notes to the financial statements

**Clark County Washington**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2022**

	<u>Capital Project</u>		
	<u>Major Funds</u>		
	<u>Development</u>	<u>Other</u>	<u>Total</u>
	<u>Impact Fees</u>	<u>Governmental</u>	
		<u>Funds</u>	
<b>Assets</b>			
Cash, cash equivalents and pooled investments	\$ 47,271,964	\$ 149,594,063	\$ 377,308,692
Taxes receivable	-	3,440,203	19,281,564
Accounts receivable	-	1,124,807	8,941,655
Interest receivable	-	125,371	125,371
Lease receivable	-	20,830,463	20,830,463
Due from other funds	-	4,143,045	10,652,758
Due from other governments	-	12,992,879	30,265,034
Inventory	-	2,020	2,455,103
Prepaid expenditures	-	398,715	2,871,263
Notes/contract receivables	-	1,430	12,093,730
	<hr/>	<hr/>	<hr/>
Total assets	47,271,964	192,652,996	484,825,633
<b>Liabilities, deferred inflows of resources and fund balance</b>			
<i>Liabilities</i>			
Accounts payable	6	2,638,513	17,380,133
Other payables	-	23,842	71,658
Due to other funds	1,747,860	5,500,837	11,696,296
Due to other governments	-	1,485,182	2,654,885
Claims and judgements payable	-	-	115,566
Accrued liabilities	-	1,345,258	7,181,650
Deposits payable	-	1,689,939	5,418,814
Unearned revenue	-	981,458	64,329,939
	<hr/>	<hr/>	<hr/>
Total liabilities	1,747,866	13,665,029	108,848,941
<i>Deferred Inflows of Resources</i>			
Unavailable revenue-property taxes	-	110,339	2,128,139
Deferred inflows-leases	-	19,299,278	19,299,278
Unavailable other revenue	-	712,325	2,808,748
Unavailable revenue-court	-	-	3,925,569
Unavailable revenue-settlements	-	8,983,860	8,983,860
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	-	29,105,802	37,145,594
<i>Fund Balance</i>			
Nonspendable	-	400,735	5,326,313
Restricted	45,524,098	132,267,047	238,217,986
Committed	-	11,218,735	11,218,735
Assigned	-	6,000,930	40,900,191
Unassigned	-	(5,282)	43,167,873
	<hr/>	<hr/>	<hr/>
Total fund balance	45,524,098	149,882,165	338,831,098
Total liabilities, deferred inflows of resources, and fund balance	\$ 47,271,964	\$ 192,652,996	\$ 484,825,633

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, 2022**

Total fund balances as shown on the Governmental Funds Balance Sheet:	\$	338,831,098
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.)		1,371,127,138
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(101,200,145)
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.		17,846,316
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.		(669,080)
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.		70,506,568
Other items related to pension and other post-employment benefit (OPEB) activity are not financial resources, therefore, not reported in the funds.		1,170,740
		<hr/>
Total net position as reflected on the Statement of Net Position:	\$	<u><u>1,697,612,635</u></u>

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, 2022**

	Special Revenue Major Funds			
	General Fund	County Roads	Community Services Grants	American Rescue Plan
<b>Revenues:</b>				
Property taxes	\$ 74,923,393	\$ 40,544,307	\$ -	\$ -
Sales and use taxes	58,972,813	-	-	-
Excise and other taxes	508,702	120,402	-	-
Licenses & permits	3,628,519	81,767	43,170	-
Intergovernmental	18,814,075	17,358,790	52,160,702	27,355,992
Charges for services	26,938,469	7,374,965	3,839,456	-
Fines & forfeitures	2,073,500	-	-	-
Interest earnings (loss)	(371,365)	(487,846)	(164,568)	(68,825)
Donations	-	-	-	-
Other revenues	110,950	14,971	-	4,002
Total revenues	185,599,056	65,007,356	55,878,760	27,291,169
<b>Expenditures:</b>				
Current:				
General government	74,025,418	-	-	9,947,253
Public safety	82,169,015	-	-	27,581
Transportation	754,072	44,666,363	-	-
Natural & Economic env.	2,527,766	-	15,923,486	69,630
Social services	1,664,913	-	42,986,445	4,214,074
Culture and Recreation	2,546,756	-	-	5,675
Capital outlay:				
General government	5,377,161	-	-	1,537,944
Public Safety	465,101	-	-	-
Transportation	55,859	17,927,651	-	-
Natural and economic environment	-	-	-	23,126
Social Services	-	-	-	-
Culture & recreation	7,077	-	-	-
Debt service:				
Principal	1,329,881	-	-	497,612
Interest and other charges	79,291	-	789	9,609
Total expenditures	171,002,310	62,594,014	58,910,720	16,332,504
Excess (deficiency) of revenues over (under) expenditures	14,596,746	2,413,342	(3,031,960)	10,958,665
<b>Other Financing Sources (Uses):</b>				
Sale of capital assets	36,346	-	-	-
Insurance recoveries	-	-	-	-
Refunding proceeds from long term bonds	4,209	-	-	-
Payment to escrow agent	-	-	-	-
Finance Lease and SBITA	4,931,894	-	-	1,071,785
Transfers in	13,025,386	7,524,818	1,200,366	-
Transfers out	(11,526,412)	(2,098,376)	-	(12,095,268)
Total other financing sources (uses)	6,471,423	5,426,442	1,200,366	(11,023,483)
Net change in fund balances	21,068,169	7,839,784	(1,831,594)	(64,818)
Fund balance as of January 1	57,317,932	28,218,581	29,270,418	68,822
Prior period adjustments	1,537,541	-	-	-
Fund balance as of December 31	\$ 79,923,642	\$ 36,058,365	\$ 27,438,824	\$ 4,004

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, 2022**

	<b>Capital Project Major Fund</b>		<b>Total</b>
	<b>Development Impact Fees</b>	<b>Other Governmental Funds</b>	
<b>Revenues:</b>			
Property taxes	\$ -	\$ 12,323,911	\$ 127,791,611
Sales and use taxes	-	19,631,167	78,603,980
Excise and other taxes	-	16,037,184	16,666,288
Licenses & permits	-	15,202,955	18,956,411
Intergovernmental	-	28,752,976	144,442,535
Charges for services	9,666,594	11,319,187	59,138,671
Fines & forfeitures	-	20,271	2,093,771
Interest earnings (loss)	(1,013,726)	(858,717)	(2,965,047)
Donations	-	343,506	343,506
Other revenues	-	6,712,587	6,842,510
Total revenues	8,652,868	109,485,027	451,914,236
<b>Expenditures:</b>			
Current:			
General government	-	6,351,112	90,323,783
Public safety	-	9,590,488	91,787,084
Transportation	-	-	45,420,435
Natural & Economic env.	-	14,621,921	33,142,803
Social services	-	33,679,399	82,544,831
Culture and Recreation	-	14,545,113	17,097,544
Capital outlay:			
General government	-	686,777	7,601,882
Public Safety	-	42,893	507,994
Transportation	-	2,635,350	20,618,860
Natural and economic environment	-	152,336	175,462
Social Services	-	272,814	272,814
Culture & recreation	-	4,228,328	4,235,405
Debt service:			
Principal	-	10,950,732	12,778,225
Interest and other charges	-	2,140,023	2,229,712
Total expenditures	-	99,897,286	408,736,834
Excess (deficiency) of revenues over (under) expenditures	8,652,868	9,587,741	43,177,402
<b>Other Financing Sources (Uses):</b>			
Sale of capital assets	-	64	36,410
Insurance recoveries	-	6,845	6,845
Refunding proceeds from long term bonds	-	24,193,130	24,197,339
Payment to escrow agent	-	(24,106,370)	(24,106,370)
Finance Lease and SBITA	-	603,668	6,607,347
Transfers in	-	28,815,417	50,565,987
Transfers out	(6,657,713)	(20,972,538)	(53,350,307)
Total other financing sources (uses)	(6,657,713)	8,540,216	3,957,251
Net change in fund balances	1,995,155	18,127,957	47,134,653
Fund balance as of January 1	43,528,943	131,116,929	289,521,625
Prior period adjustments	-	637,279	2,174,820
Fund balance as of December 31	\$ 45,524,098	\$ 149,882,165	\$ 338,831,098

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, 2022**

Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance:	\$	47,134,653
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		25,927,544
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) to increase net position.		15,669,701
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.		443,451
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.		37,212,781
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.		(31,046,249)
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>13,913,743</u>
Change in net position, as reflected on the Statement of Activities	\$	<u><u>109,255,624</u></u>

See accompanying notes to the financial statements

**Clark County Washington**  
**General Fund**  
**Statement of Revenues and Expenditures - Budget (GAAP Basis) and Actual**  
**For the year ended December 31, 2022**

	Original Budget	Final Budget	Actual to Date	Variance with Final Budget Positive/ (Negative)
<b>Revenues:</b>				
Property taxes	\$ 74,702,823	\$ 74,702,823	\$ 74,923,393	\$ 220,570
Sales and use taxes	47,270,340	56,784,315	58,972,813	2,188,498
Excise and other taxes	468,394	468,394	508,702	40,308
Licenses and permits	3,513,571	3,513,571	3,628,519	114,948
Intergovernmental	15,901,427	18,882,764	18,814,075	(68,689)
Charges for services	30,938,216	31,162,234	26,938,469	(4,223,765)
Fines and forfeitures	2,216,747	2,216,747	2,073,500	(143,247)
Interest earnings (loss)	2,726,058	2,726,058	(371,365)	(3,097,423)
Other revenues	1,040,391	1,040,391	110,950	(929,441)
Total revenues	178,777,967	191,497,297	185,599,056	(5,898,241)
<b>Expenditures:</b>				
<b><u>General government</u></b>				
<b><u>Assessor</u></b>				
Personal Services	4,653,108	4,522,875	4,458,224	64,651
Supplies	58,200	78,200	81,603	(3,403)
Other Services and Charges	272,229	280,448	241,217	39,231
Total Assessor	4,983,537	4,881,523	4,781,044	100,479
<b><u>GIS</u></b>				
Personal Services	2,460,299	2,460,299	2,450,021	10,278
Supplies	50,000	50,000	39,550	10,450
Other Services and Charges	240,082	240,082	224,771	15,311
Total GIS	2,750,381	2,750,381	2,714,342	36,039
<b><u>Auditor</u></b>				
Personal Services	4,116,477	4,116,477	3,662,565	453,912
Supplies	37,413	37,413	32,555	4,858
Other Services and Charges	216,527	216,527	230,084	(13,557)
Total Auditor	4,370,417	4,370,417	3,925,204	445,213
<b><u>Treasurer</u></b>				
Personal Services	2,390,050	2,390,050	2,221,542	168,508
Supplies	29,307	29,307	17,823	11,484
Other Services and Charges	700,976	700,976	452,622	248,354
Total Treasurer	3,120,333	3,120,333	2,691,987	428,346
<b><u>Prosecuting Attorney</u></b>				
Personal Services	10,719,803	10,764,034	10,604,373	159,661
Supplies	746,881	757,881	124,037	633,844
Other Services and Charges	497,339	498,210	447,410	50,800
Prosecuting Attorney Capital Outlay	-	-	570,725	(570,725)
Total Prosecuting Attorney	11,964,023	12,020,125	11,746,545	273,580
<b><u>Child Support Enforcement</u></b>				
Personal Services	2,246,093	2,246,093	1,837,721	408,372
Supplies	18,000	18,000	19,257	(1,257)
Other Services and Charges	284,198	284,198	274,897	9,301

Total Child Support Enforcement	2,548,291	2,548,291	2,131,875	416,416
<b><u>Commissioners</u></b>				
Personal Services	2,131,858	2,031,858	1,944,524	87,334
Supplies	47,972	97,972	95,708	2,264
Other Services and Charges	2,658,640	2,950,555	1,295,376	1,655,179
Total Commissioners	4,838,470	5,080,385	3,335,608	1,744,777
<b><u>Information Services</u></b>				
Personal Services	5,755,258	5,469,691	5,371,900	97,791
Supplies	769,500	769,500	35,422	734,078
Other Services and Charges	1,736,016	1,815,612	2,617,620	(802,008)
Capital Outlay	50,000	-	-	-
Total Information Services	8,310,774	8,054,803	8,024,942	29,861
<b><u>Human Resources</u></b>				
Personal Services	1,382,608	1,382,608	1,363,921	18,687
Supplies	29,403	29,403	14,551	14,852
Other Services and Charges	223,539	408,439	175,263	233,176
Total Human Resources	1,635,550	1,820,450	1,553,735	266,715
<b><u>General Services</u></b>				
Personal Services	1,338,181	1,338,181	1,187,150	151,031
Supplies	490,229	490,229	562,238	(72,009)
Other Services and Charges	5,027,109	5,125,155	5,494,584	(369,429)
General Services Capital Outlay	97,000	-	-	-
Total General Services	6,952,519	6,953,565	7,243,972	(290,407)
<b><u>Board of Equalization</u></b>				
Personal Services	104,635	104,635	92,721	11,914
Supplies	2,689	2,689	982	1,707
Other Services and Charges	16,974	16,974	13,581	3,393
Total Board of Equalization	124,298	124,298	107,284	17,014
<b><u>Office of Budget</u></b>				
Personal Services	688,999	700,999	700,070	929
Supplies	2,000	2,000	2,038	(38)
Other Services and Charges	270,095	273,595	268,072	5,523
Total Office of Budget	961,094	976,594	970,180	6,414
<b><u>Indigent Defense</u></b>				
Indigent Defense Personal Services	314,262	226,057	161,557	64,500
Indigent Defense Supplies	1,350	1,350	2,449	(1,099)
Other Services and Charges	6,638,627	8,074,948	8,773,139	(698,191)
Total Indigent Defense	6,954,239	8,302,355	8,937,145	(634,790)
<b><u>Judicial</u></b>				
<b><u>Clerk</u></b>				
Personal Services	3,563,383	3,593,753	3,082,253	511,500
Clerk Supplies	63,650	63,650	36,751	26,899
Other Services and Charges	269,398	269,398	1,257,319	(987,921)
Total Clerk	3,896,431	3,926,801	4,376,323	(449,522)
<b><u>District Court</u></b>				
Personal Services	11,625,635	11,542,880	10,366,490	1,176,390
Supplies	152,236	152,236	144,767	7,469
Other Services and Charges	1,012,330	1,181,998	1,125,025	56,973
Capital Outlay	-	38,450	38,201	249
Total District Court	12,790,201	12,915,564	11,674,483	1,241,081
<b><u>Superior Court</u></b>				
Personal Services	3,932,488	3,985,399	3,873,235	112,164
Supplies	2,135,784	2,637,414	1,056,232	1,581,182

Other Services and Charges	14,211	14,211	703,761	(689,550)
Total Superior Court	6,082,483	6,637,024	5,633,228	1,003,796
<b>Total general government</b>	<b>82,283,041</b>	<b>84,482,909</b>	<b>79,847,897</b>	<b>4,635,012</b>
<b>Public safety</b>				
<b>Juvenile</b>				
Personal Services	9,085,248	9,084,818	8,093,313	991,505
Supplies	83,357	83,357	102,682	(19,325)
Other Services and Charges	819,021	793,079	521,007	272,072
Total Juvenile	9,987,626	9,961,254	8,717,002	1,244,252
<b>Sheriff - Enforcement</b>				
Sheriff Personal Services	52,788,470	52,788,470	51,075,853	1,712,617
Sheriff Supplies	2,830,325	3,565,745	3,570,449	(4,704)
Sheriff Other Services	12,460,604	13,331,623	13,166,674	164,949
Sheriff Capital Outlay	-	-	443,206	(443,206)
Total Sheriff-Enforcement	68,079,399	69,685,838	68,256,182	1,429,656
<b>Emergency Medical Services</b>				
Total Emergency Medical Services	-	-	-	-
<b>Code Enforcement</b>				
Personal Services	627,403	610,138	589,762	20,376
Supplies	4,150	4,150	1,703	2,447
Other Services and Charges	76,074	83,458	86,785	(3,327)
Total Code Enforcement	707,627	697,746	678,250	19,496
<b>Fire Marshal</b>				
Personal Services	1,201,838	1,239,538	1,238,612	926
Supplies	15,800	15,800	18,851	(3,051)
Other Services and Charges	516,647	408,417	396,600	11,817
Fire Marshal Capital Outlay	-	135,450	-	135,450
Total Fire Marshal	1,734,285	1,799,205	1,654,063	145,142
<b>Total public safety</b>	<b>80,508,937</b>	<b>82,144,043</b>	<b>79,305,497</b>	<b>2,838,546</b>
<b>Transportation</b>				
<b>Lewis &amp; Clark Railroad</b>				
Lewis and Clark Railroad Supplies	3,000	3,000	452	2,548
Other Services and Charges	233,092	514,725	156,323	358,402
Capital Outlay	2,108,939	2,108,939	55,859	2,053,080
Total Lewis & Clark Railroad	2,345,031	2,626,664	212,634	2,414,030
<b>Total Transportation</b>	<b>2,345,031</b>	<b>2,626,664</b>	<b>212,634</b>	<b>2,414,030</b>
<b>Natural &amp; Economic Environment</b>				
<b>Animal Control</b>				
Personal Services	697,840	585,105	582,288	2,817
Supplies	10,925	10,925	26,283	(15,358)
Other Services and Charges	732,831	888,895	741,822	147,073
Total Animal Control	1,441,596	1,484,925	1,350,393	134,532
Pass throughs Capital Outlay	-	-	(1,850,461)	1,850,461
<b>Vegetation Management</b>				
Personal Services	1,001,590	1,001,590	831,860	169,730
Supplies	152,078	143,467	63,824	79,643
Other Services	663,363	706,403	390,849	315,554
Total Vegetation Management	1,817,031	1,851,460	1,286,533	564,927
<b>Long Range Planning</b>				
Personal Services	1,059,714	1,082,214	1,047,944	34,270
Supplies	3,465	3,465	4,448	(983)
Other Services and Charges	163,023	276,023	124,238	151,785
Total Long Range Planning	1,226,202	1,361,702	1,176,630	185,072

Cnty-wide Services Capital Outlay	-	-	5,377,161	(5,377,161)
<b>Forestry</b>				
Personal Services	55,835	73,835	66,889	6,946
Supplies	28,076	28,076	583	27,493
Other Services	114,204	96,204	174,629	(78,425)
Forestry Capital Outlay	-	-	7,077	(7,077)
<b>Total Forestry</b>	<b>198,115</b>	<b>198,115</b>	<b>249,178</b>	<b>(51,063)</b>
<b>Total natural &amp; economic environment</b>	<b>4,682,944</b>	<b>4,896,202</b>	<b>7,589,434</b>	<b>(2,693,232)</b>
<b>Social Services</b>				
<b>Medical Examiner</b>				
Personal Services	1,239,752	1,239,752	1,155,044	84,708
Supplies	78,400	78,400	45,063	33,337
Other Services and Charges	593,916	600,163	466,129	134,034
<b>Total Medical Examiner</b>	<b>1,912,068</b>	<b>1,918,315</b>	<b>1,666,236</b>	<b>252,079</b>
<b>Total Social Services</b>	<b>1,912,068</b>	<b>1,918,315</b>	<b>1,666,236</b>	<b>252,079</b>
<b>Culture and Recreation</b>				
<b>Cooperative Extension Service</b>				
Personal Services	-	-	(1,805)	1,805
Supplies	-	-	1,198	(1,198)
Other Services and Charges	368,605	368,605	359,274	9,331
<b>Total Cooperative Extension Service</b>	<b>368,605</b>	<b>368,605</b>	<b>358,667</b>	<b>9,938</b>
<b>Legacy Lands</b>				
Personal Services	-	-	757	(757)
Supplies	-	-	194	(194)
Other Services and Charges	1,055,895	1,055,895	611,822	444,073
Contingency	2,941,898	3,261,484	-	3,261,484
<b>Total Legacy Lands</b>	<b>3,997,793</b>	<b>4,317,379</b>	<b>612,773</b>	<b>3,704,606</b>
<b>Total culture and recreation</b>	<b>4,366,398</b>	<b>4,685,984</b>	<b>971,440</b>	<b>3,714,544</b>
Principal	-	-	1,329,881	(1,329,881)
Interest and other charges	-	3,978	79,291	(75,313)
<b>Total expenditures</b>	<b>176,098,419</b>	<b>180,758,095</b>	<b>171,002,310</b>	<b>9,755,785</b>
<b>Other financing sources</b>				
Sale of capital assets	-	-	36,346	36,346
Refunding proceeds from long term bonds	-	-	4,209	4,209
Finance Lease and SBITA	-	-	4,931,894	4,931,894
Transfers in	228,946	15,189,601	13,025,386	(2,164,215)
Transfers out	(11,816,504)	(16,218,372)	(11,526,412)	4,691,960
<b>Total other financing sources</b>	<b>(11,587,558)</b>	<b>(1,028,771)</b>	<b>6,471,423</b>	<b>7,500,194</b>
<b>Fund balance as of January 1</b>	<b>57,317,932</b>	<b>57,317,932</b>	<b>57,317,932</b>	<b>-</b>
Prior period adjustments	-	-	1,537,541	1,537,541
Fund balance as of January 1-restated	57,317,932	57,317,932	58,855,473	1,537,541
<b>Fund balance as of December 31</b>	<b>\$ 48,409,922</b>	<b>\$ 67,028,363</b>	<b>\$ 79,923,642</b>	<b>\$ 12,895,279</b>

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, 2022**

	Original Budget	Final Budget	Actual to Date	Variance with Final Budget Positive/ (Negative)
<b>Revenues</b>				
Property taxes	\$ 38,777,498	\$ 38,777,498	\$ 40,544,307	\$ 1,766,809
Excise and other taxes	290,000	290,000	120,402	(169,598)
Licenses and permits	454,000	454,000	81,767	(372,233)
Intergovernmental	21,389,300	20,906,300	17,358,790	(3,547,510)
Charges for services	11,088,740	11,189,015	7,374,965	(3,814,050)
Interest earnings (loss)	150,000	150,000	(487,846)	(637,846)
Other revenues	379,000	379,000	14,971	(364,029)
Total Revenues	72,528,538	72,145,813	65,007,356	(7,138,457)
<b>Expenditures</b>				
Current:				
Transportation	57,877,427	62,212,747	44,666,363	17,546,384
Capital outlay:				
Transportation	23,900,779	23,527,427	17,927,651	5,599,776
Total Expenditures	81,778,206	85,740,174	62,594,014	23,146,160
Excess (deficiency) of revenues over expenditures	(9,249,668)	(13,594,361)	2,413,342	16,007,703
Sale of capital assets	466,000	466,000	-	(466,000)
Transfers in	23,206,818	22,510,415	7,524,818	(14,985,597)
Transfers out	(2,350,314)	(2,323,377)	(2,098,376)	225,001
Total other financing sources (uses)	21,322,504	20,653,038	5,426,442	(15,226,596)
Net change in fund balance	12,072,836	7,058,677	7,839,784	781,107
Fund balance as of January 1	28,218,581	28,218,581	28,218,581	-
Fund balance as of December 31	\$ 40,291,417	\$ 35,277,258	\$ 36,058,365	\$ 781,107

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, 2022**

	Original Budget	Final Budget	Actual to Date	Variance with Final Budget Positive/ (Negative)
<b>Revenues</b>				
Licenses and permits	\$ 45,000	\$ 45,000	\$ 43,170	\$ (1,830)
Intergovernmental	79,931,171	86,538,660	52,160,702	(34,377,958)
Charges for services	10,650,148	10,650,148	3,839,456	(6,810,692)
Interest earnings (loss)	1,000	1,000	(164,568)	(165,568)
Total Revenues	90,627,319	97,234,808	55,878,760	(41,356,048)
<b>Expenditures</b>				
Current:				
Natural & Economic env.	14,589,272	14,589,272	15,923,486	(1,334,214)
Social services	104,855,212	111,462,701	42,986,445	68,476,256
Interest and other charges	-	-	789	(789)
Total Expenditures	119,444,484	126,051,973	58,910,720	67,141,253
Excess (deficiency) of revenues over expenditures	(28,817,165)	(28,817,165)	(3,031,960)	25,785,205
Transfers in	1,400,366	2,281,171	1,200,366	(1,080,805)
Transfers out	(200,000)	(1,080,805)	-	1,080,805
Total other financing sources (uses)	1,200,366	1,200,366	1,200,366	-
Net change in fund balance	(27,616,799)	(27,616,799)	(1,831,594)	25,785,205
Fund balance as of January 1	29,270,418	29,270,418	29,270,418	-
Fund balance as of December 31	\$ 1,653,619	\$ 1,653,619	\$ 27,438,824	\$ 25,785,205

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, 2022**

	Original Budget	Final Budget	Actual to Date	Variance with Final Budget Positive/ (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 28,227,397	\$ 58,216,106	\$ 27,355,992	\$ (30,860,114)
Interest earnings (loss)	-	-	(68,825)	(68,825)
Other revenues	-	-	4,002	4,002
Total Revenues	28,227,397	58,216,106	27,291,169	(30,924,937)
<b>Expenditures</b>				
General government	13,004,198	30,709,407	9,947,253	20,762,154
Public safety	-	5,000	27,581	(22,581)
Natural & Economic env.	104,000	299,000	69,630	229,370
Social services	20,764,497	20,833,997	4,214,074	16,619,923
Culture and Recreation	-	14,000	5,675	8,325
General government	1,035,000	1,035,000	1,537,944	(502,944)
Natural and economic environment	-	-	23,126	(23,126)
Principal	-	-	497,612	(497,612)
Interest and other charges	-	-	9,609	(9,609)
Total Expenditures	34,907,695	52,896,404	16,332,504	36,563,900
Excess (deficiency) of revenues over expenditures	(6,680,298)	5,319,702	10,958,665	5,638,963
Finance Lease and SBITA	-	-	1,071,785	1,071,785
Transfers out	-	(12,000,000)	(12,095,268)	(95,268)
Total other financing sources (uses)	-	(12,000,000)	(11,023,483)	976,517
Net change in fund balance	(6,680,298)	(6,680,298)	(64,818)	6,615,480
Fund balance as of January 1	68,822	68,822	68,822	-
Fund balance as of December 31	\$ (6,611,476)	\$ (6,611,476)	\$ 4,004	\$ 6,615,480

See accompanying notes to the financial statements

**Clark County Washington**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2022**

	Business-Type Activities - Enterprise Fund			Governmental Activities
	Major		Total	Internal Service Funds
	Clean Water	Nonmajor Enterprise Funds		
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and pooled investments	\$ 11,337,521	\$ 7,458,970	\$ 18,796,491	\$ 55,826,953
Deposit in trust	-	-	-	715,000
Special assessments receivable	181,397	-	181,397	-
Other receivables	4,318	248,703	253,021	779,868
Due from other funds	-	37,857	37,857	1,624,028
Due from other governments	667,196	166,487	833,683	1,358,764
Inventory (at cost)	-	-	-	862,720
Prepaid expense	36,799	-	36,799	2,120,158
Lease receivable - short term	-	-	-	44,809
Total current assets	12,227,231	7,912,017	20,139,248	63,332,300
Noncurrent assets:				
Net pension asset	396,918	181,498	578,416	1,458,715
Lease receivable - Long term	-	-	-	589,203
Capital assets not being depreciated				
Land	37,976,775	6,590,758	44,567,533	-
Infrastructure not being depreciated	79,664,791	-	79,664,791	-
Construction in progress	1,223,339	-	1,223,339	2,272,821
Capital assets being depreciated				
Buildings	-	1,741,378	1,741,378	102,357
Improvements	-	891,412	891,412	1,270,962
Machinery and equipment	15,194	257,105	272,299	47,630,168
Infrastructure	-	944,358	944,358	-
Intangibles	-	-	-	2,644,686
Less accumulated depreciation	(13,675)	(2,482,069)	(2,495,744)	(29,740,845)
Total noncurrent assets	119,263,342	8,124,440	127,387,782	26,228,067
Total assets	131,490,573	16,036,457	147,527,030	89,560,367
<b>Deferred outflows of resources</b>				
Deferred outflows - pension	408,001	186,565	594,566	1,499,442
Deferred outflows - OPEB	10,013	3,848	13,861	34,664
Deferred outflows - ARO	-	-	-	170,668
Total deferred outflows of resources	418,014	190,413	608,427	1,704,774
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	237,735	147,144	384,879	1,966,995
Other payables	99,879	41,169	141,048	392,520
Due to other funds	432,408	136,917	569,325	49,018
Due to other governments	33,905	505	34,410	187,555
Accrued liabilities	734	438	1,172	3,046
Deposits payable	31,283	-	31,283	90,250
Lease liability - Short term	-	-	-	359,314
Unearned Revenue	66,251	-	66,251	335,168
Compensated absences- current	2,881	13,946	16,827	75,041
Current long term liabilities	2,367	910	3,277	3,285,899
Total current liabilities	907,443	341,029	1,248,472	6,744,806
Noncurrent liabilities:				
Lease liability - Long Term	-	-	-	269,348
Contracts payable	-	-	-	264,181
Compensated absences	287,746	58,997	346,743	654,133
Net pension liability	252,323	115,379	367,702	927,318
Total OPEB Liability	33,202	12,759	45,961	114,945
Asset retirement obligation	-	-	-	880,000
Accrued claims payable	-	-	-	8,807,605
Total noncurrent liabilities	573,271	187,135	760,406	11,917,530
Total liabilities	1,480,714	528,164	2,008,878	18,662,336
<b>Deferred inflows of resources</b>				
Deferred inflows - Pensions	427,620	195,537	623,157	1,571,549
Deferred inflows - Lease	-	-	-	524,182
Deferred inflows - OPEB	147	56	203	506
Total deferred inflows of resources	427,767	195,593	623,360	2,096,237
<b>Net Position</b>				
Net Investment in capital assets	118,866,424	7,942,942	126,809,366	23,564,836
Restricted for workers compensation claims	-	-	-	150,000
Restricted for pension	396,918	181,498	578,416	1,458,715
Unrestricted	10,736,764	7,378,673	18,115,437	45,333,017
Total net position	\$ 130,000,106	\$ 15,503,113	\$ 145,503,219	\$ 70,506,568

See accompanying notes to the financial statements

**Clark County Washington**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2022**

	Business-Type Activities - Enterprise Funds			Governmental
				Activities
	Major			
	Clean Water	Nonmajor Enterprise Funds	Total	Internal Service Activities
<b>OPERATING REVENUES</b>				
Charges for services	\$ 7,749,582	\$ 7,399,526	\$ 15,149,108	\$ 53,287,949
Miscellaneous	9,165	-	9,165	7,389,221
Total operating revenues	7,758,747	7,399,526	15,158,273	60,677,170
<b>OPERATING EXPENSES</b>				
Personal services	2,235,450	1,770,209	4,005,659	9,362,904
Pension and OPEB Adjustment	(182,617)	(137,083)	(319,700)	(679,203)
Contractual services	4,421,854	4,632,942	9,054,796	41,616,540
Other supplies and expenses	59,056	426,030	485,086	9,318,073
Intergovernmental	-	-	-	32,354
Depreciation	476	49,759	50,235	3,374,546
Total operating expenses	6,534,219	6,741,857	13,276,076	63,025,214
Operating Income (loss)	1,224,528	657,669	1,882,197	(2,348,044)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest and investment revenue	(222,051)	(152,882)	(374,933)	(1,059,851)
Asset Retirement Obligation Expense	-	-	-	(24,333)
Operating grant revenue	174,996	463,673	638,669	13,386
Miscellaneous revenue	13,022	19,685	32,707	98,522
Gain/(loss) on disposition of capital assets	-	(3,107)	(3,107)	205,525
Interest expense	-	-	-	(74,089)
Total non-operating revenues (expenses)	(34,033)	327,369	293,336	(840,840)
Income (loss) before contributions, special items and transfers	1,190,495	985,038	2,175,533	(3,188,884)
Capital contributions	3,343,343	-	3,343,343	-
Special item	-	(699,975)	(699,975)	-
Transfers in	-	-	-	3,632,335
Transfers out	(641,922)	(206,093)	(848,015)	-
<b>Change in net position</b>	<b>3,891,916</b>	<b>78,970</b>	<b>3,970,886</b>	<b>443,451</b>
Net position as of January 1	123,498,400	15,320,264	138,818,664	70,063,117
Prior period adjustments	2,609,790	103,879	2,713,669	-
Net position as of January 1	126,108,190	15,424,143	141,532,333	70,063,117
<b>Net position as of December 31</b>	<b>\$ 130,000,106</b>	<b>\$ 15,503,113</b>	<b>\$ 145,503,219</b>	<b>\$ 70,506,568</b>

See accompanying notes to the financial statements

**Clark County Washington**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2022**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Major</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
	<u>Clean Water</u>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers (inflows)	\$ 7,749,582	\$ 7,509,216	\$ 15,258,798	\$ 1,755,574
Receipts from customers (outflows)	(379,020)	(5,237)	(384,257)	(10,747)
Receipts from interfund services provided (inflows)	13,836	12,567	26,403	53,351,277
Receipts from interfund services provided (outflows)	-	(24,499)	(24,499)	(762,742)
Payments to suppliers (outflow)	(4,255,702)	(5,392,323)	(9,648,025)	(50,126,531)
Payments to employees	(2,236,343)	(1,851,509)	(4,087,852)	(9,306,773)
Payments for interfund services used (inflows)	196,622	68,508	265,130	41,107
Payments for interfund services used (outflows)	-	(187,644)	(187,644)	(663,063)
Miscellaneous receipts/expenses (inflows)	22,187	19,903	42,090	7,437,958
Claims paid (inflows)	-	-	-	1,847,629
Net cash provided (used) by operating activities	<u>1,111,162</u>	<u>148,982</u>	<u>1,260,144</u>	<u>3,563,689</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating grants received	174,996	463,673	638,669	13,386
Advance from other funds- outflows	-	-	-	-
Repayment of long-term debt and other	-	-	-	-
Operating Debt interest	-	-	-	(56)
Transfer to other governments	-	-	-	-
Transfers from other funds	-	-	-	3,632,335
Transfers to other funds and speical item	(641,922)	(1,517,950)	(2,159,872)	-
Net cash provided (used) by noncapital financing activities	<u>(466,926)</u>	<u>(1,054,277)</u>	<u>(1,521,203)</u>	<u>3,645,665</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	491,091	-	491,091	-
Principal paid on capital debt	-	-	-	(74,033)
Principal paid on lease debt	-	-	-	(322,721)
Purchases of capital assets	(941,318)	-	(941,318)	(5,640,155)
Proceeds from sales of capital assets	-	-	-	324,880
Net cash (used) by capital and related financing activities	<u>(450,227)</u>	<u>-</u>	<u>(450,227)</u>	<u>(5,712,029)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest earnings	(222,051)	(152,883)	(374,934)	(1,059,848)
Net cash provided by investing activities	<u>(222,051)</u>	<u>(152,883)</u>	<u>(374,934)</u>	<u>(1,059,848)</u>
Net increase/(decrease) in cash and cash equivalents	(28,042)	(1,058,178)	(1,086,220)	437,477
Cash and cash equivalents on January 1	<u>11,365,563</u>	<u>8,517,366</u>	<u>19,882,929</u>	<u>56,104,476</u>
Cash and cash equivalents on December 31*	\$ 11,337,521	\$ 7,459,188	\$ 18,796,709	\$ 56,541,953

\*Includes all cash, investments, and deposits in trust.

See accompanying notes to the financial statements

**Clark County Washington**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2022**

	<u>Business-type Activities -- Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Major</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
	<u>Clean Water</u>			
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 1,224,528	\$ 657,669	\$ 1,882,197	\$ (2,348,044)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	476	49,759	50,235	3,374,546
Pension expense for non-cash change in pension items	(182,617)	(137,083)	(319,700)	(679,203)
Miscellaneous receipts	13,022	19,685	32,707	98,522
(Increase) decrease in deposits	-	-	-	-
(Increase) decrease in accounts receivable	1,065	249,278	250,343	245,888
(Increase) decrease in due from other funds	13,836	(11,932)	1,904	647,098
(Increase) decrease in due from other governments	(440,085)	(144,825)	(584,910)	116,351
Increase (decrease) in accounts payables	212,526	(334,179)	(121,653)	729,863
(Increase) decrease in prepaids	(2,451)	771	(1,680)	141,578
Increase (decrease) in due to other funds	196,622	(119,136)	77,486	(567,686)
Increase (decrease) in due to other governments	15,133	57	15,190	13,181
Increase (decrease) in other liabilities	59,112	(3,123)	55,989	1,833,920
Increase (decrease) in inventory	-	-	-	(98,456)
Increase (decrease) in compensated absences	(5)	(78,177)	(78,182)	56,131
Asset donated to governmental activities	-	-	-	-
<b>Net cash provided (used) by operating activities</b>	<u>\$ 1,111,162</u>	<u>148,764</u>	<u>\$ 1,259,926</u>	<u>\$ 3,563,689</u>
<b>Noncash investing, capital, and financing activities</b>				
Contribution of capital assets	\$ 2,852,252	-	\$ 2,852,252	\$ -
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, 2022

	Investment Trust Fund	Private Purpose Trust Fund - Crass	Custodial Funds
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 32,524,788
Cash and deposits in trust	-	-	380,091
Pooled investments at fair value	572,139,605	61,097	-
Taxes receivable for other governments	-	-	8,448,743
Other assets	-	-	3,877,884
<b>Total Assets</b>	<u>572,139,605</u>	<u>61,097</u>	<u>45,231,506</u>
<b>Liabilities</b>			
Accounts payable and other liabilities	-	-	872,097
Due to other governments	-	-	8,852,908
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>9,725,005</u>
<b>Net Position</b>			
Pool participants	572,139,605	(3,227)	-
Individuals, organizations and other governments	-	64,324	35,506,501
<b>Total Net Position</b>	<u>\$ 572,139,605</u>	<u>\$ 61,097</u>	<u>\$ 35,506,501</u>

See accompanying notes to the financial statements

**Clark County Washington**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2022

	Investment Trust Fund	Private Purpose Trust Fund - Crass	Custodial Funds
<b>Additions:</b>			
Property tax collections for other governments	\$ -	\$ -	\$ 722,625,803
Additions by participants	1,117,558,340	-	-
Collection from investment disbursements	-	-	1,086,682,737
State and federal share revenues and grants collected for other governments	-	-	1,209,999,582
Other tax collections	-	-	141,282,048
Court collections for other governments	-	-	3,765,893
Assessments collected from customers	-	-	44,960,621
Collection of debt proceeds	-	-	95,396,036
Other Custodial Collections	-	-	64,738,320
Investment Income			
Interest, dividends and other	6,233,385	(1,228)	-
Net increase decrease in fair value of investments	(17,703,377)	-	(444,757)
Net investment income	(11,469,992)	(1,228)	(444,757)
Total Additions	<u>1,106,088,348</u>	<u>(1,228)</u>	<u>3,369,006,283</u>
<b>Deductions:</b>			
Distributions to participants	1,270,619,751	-	4,000,000
Distributions for investment purchases	-	-	967,298,796
Payments of property tax	-	-	369,720,547
Payments of other tax collections	-	-	155,839,655
Payments of court collections	-	-	3,708,033
Disbursements for wages and benefits	-	-	1,030,558,740
Disbursements to vendors and suppliers	-	-	677,001,258
Disbursements to bond and debt holders	-	-	152,251,662
Other Custodial disbursements	-	2,000	7,583,785
Total Deductions	<u>1,270,619,751</u>	<u>2,000</u>	<u>3,367,962,476</u>
Change in net position held for individuals, organizations and other governments	(164,531,403)	(3,228)	1,043,807
<b>Net Position</b>			
Restricted Net position as of January 1	736,671,008	64,325	34,462,694
Restricted Net position as of December 31	<u>\$ 572,139,605</u>	<u>\$ 61,097</u>	<u>\$ 35,506,501</u>

See accompanying notes to the financial statements

**CLARK COUNTY WASHINGTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**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 2022, the CCPFD has a note receivable in the amount of \$2,438,460 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. The County has operational and financing responsibility for EMSD1. 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 five 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 *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 financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes,

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 2022 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. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is prorated to the various funds. 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 \$181,397 of special assessments due at December 31, 2022. Of the \$181,397 clean water special assessment due at December 31, 2022, 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 assets 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 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 assets 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, leases and refunding of debt in this category. On the fund balance sheets the County reports unavailable revenue 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 2022 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	\$ (9,670,000)
Direct Placement Bonds Payable	(36,562,339)
Plus: Issuance premium (to be amortized as interest expense)	(583,471)
Finance Purchase Payable	(3,209,065)
Direct placement advances due to other governments	(9,459,302)
Compensated Absences	(13,819,653)
Interest Payable	(661,610)
Pollution Remediation Obligation	(5,987,109)
Asset Retirement Obligation	(4,005,064)
Lease Payable Obligation	(1,582,339)
SBITA Payable Obligation	(4,413,356)
Impact Fee Credits	(11,246,837)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	\$ (101,200,145)

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	\$ 38,619,262
Deferred Outflow of Resources - Pension	33,851,452
Deferred Outflow of Resources - OPEB	1,157,956
Net Pension Liability	(16,155,248)
Total OPEB Liability	(23,375,234)
Deferred inflow of Resources - Pension	(32,918,259)
Deferred Inflow of Resources - OPEB	(9,189)
Net adjustment to reduce fund balance - total governmental	
funds to arrive at net position - governmental activities	<u>\$ 1,170,740</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:

Deferred amounts related to asset retirement obligations	\$ 174,846
Deferred charges on refunding	(843,926)
	<hr/>
Net adjustment to increase fund balance - total governmental	
funds to arrive at net position - governmental activities	<u>\$ (669,080)</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	\$ 28,719,161
Lease and SBITA Right to Use Assets added	6,977,347
Depreciation/Amortization Expense	(9,768,964)
Net adjustment to increase net changes in fund balances—total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 25,927,544</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	\$ 15,812,018
Disposal of capital assets	(142,317)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position governmental activities	<u>\$ 15,669,701</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	\$ (2,466,412)
Net change in impact fee credits	(4,686,710)
Bond Proceeds	(24,197,339)
Issuance of debt related to leases	(324,800)
Issuance of debt related to SBITA	(6,282,547)
Other revenues unavailable	7,741,182
Municipal Court revenue	628,742
Pension Contributions from State	470,987
Tax revenues - unavailable	(1,929,352)
Net adjustment to increase net changes in fund balances—total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (31,046,249)</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	12,778,22
	\$ 5
General Obligation Bond Retirement	24,106,36
	8
Amortization of issuance premiums	328,188
Net adjustments to decrease net changes in fund balances - total governmental	<u>37,212,78</u>
funds to arrive at changes in net position of governmental activities	<u>\$ 1</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	\$ (192,439)
Interest expense adjustment	(554,719)
Amortization of amount related to asset retirement obligations	(250,464)
Pension and OPEB expense adjustment	14,458,008
Lease payable adjustment	162,369
SBITA payable adjustment	10,288
Compensated absences	280,703
Net adjustments to decrease net changes in fund balances - total governmental	<u>13,913,746</u>
funds to arrive at changes in net position of governmental activities	<u>\$ 1</u>

### **NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### Budget overage

There two special revenue fund that exceeded budgeted expenditures in 2022.

Emergency Medical Services 1 fund collects property taxes to pay for emergency medical transportation services in the Emergency Medical Services District Number 1. The fund has an overage of \$2,118,734 in expenditures. The overage was due to an increase in voter approved property taxes. The revenue in the fund covers the expenditures in the fund completely. The fund budgets will be updated in the future to include any increases in property tax being collected.

Auditor's O & M fund accumulates a recording fee on documents to be used for developing systems and procedures for preserving recorded documents. The fund has an overage of \$171,066 in expenditures. The overage was due to the implementation of GASB 96 related to SBITA. The budget will include this expenditures in the future.

#### Negative Fund Balance

There is one special revenue fund that has a negative fund balance at the end of 2022.

Treasurer O & M fund is a fund that is established for the administration of tax foreclosure avoidance. This fund has a negative fund balance of \$(5,282). The fund anticipates receiving more revenue to cover the expenditures in the future.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

A. Deposits

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

Deposits are subject to the following risk:

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.

As noted above, to mitigate risk the county only deposits with institutions that are listed on the approved PDPC listing.

B. Investments

Clark County Investment Policy direct the Clark County Treasurer (Treasurer) 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	100%
	Under 1 year	25%
	Under 30 days	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, 2022, the actual weighted average maturity of the County's Investment Pool was 1.28 years.

<b>Investment Type</b>	<b>Fair Value (or Amortized Cost)</b>	<b>Weighted Average Maturity (Years)</b>
US Sponsored Entities	\$ 314,123,325	1.61
US Treasury	252,980,800	0.81
Supranational	42,840,750	1.47
Corporate Bonds	169,397,247	2.08
Municipal Bonds	124,120,197	1.38
Commercial Paper	-	0.00
Money Market	-	0.00
Local Gov't Investment Pool	121,040,160	0.00
<b>Total</b>	<b>\$ 1,024,502,479</b>	<b>1.28</b>

**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
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As of December 31, 2022, the ratings of debt securities, U.S. Treasuries (AAA)\* and the following Government Sponsored Enterprises (GSE's) are:

<u>Debt Security</u>	<u>S&amp;P Rating</u>
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.

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 that 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, 2022 are disclosed below:

Issuer	% of Investment Portfolio
US Treasury - Notes	23.20%
Washington State LGIP	12.10%
Federal Farm Credit Bank	5.90%
Federal Home Loan Bank	8.40%
Federal Home Loan Mortgage Corporation	6.80%
Federal National Morg Assoc	6.20%

Investments in Local Government Investment Pool (LGIP)

The county is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with RCW 43.250. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-02200, online at [www.tre.wa.gov](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, 2022, the Pool had an average maturity of approximately 468 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 2022, 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).

Pool 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.

As of December 31, 2022, the Pool had an unrealized loss of \$40,023,758. This loss would only be realized if every investment in the Pool were immediately liquidated at that date.

As noted above, each Pool participant maintains an investment services agreement 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  
 12/31/2022

<b>Assets</b>	
Pooled Investments	\$ 1,024,502,478
Total Assets	<u>\$ 1,024,502,478</u>

<b>Deferred Outflow of Resources</b>	-
<b>Liabilities</b>	-
<b>Deferred Inflows of Resources</b>	-
<b>Net Position - Assets Held in Trust for pool participants</b>	<u>\$ 1,024,502,478</u>
<b>Clark County Investment Pool</b>	
External Pool	\$ 572,139,605
Internal Pool	452,301,775
Private Purpose Trust Fund	61,098
<b>Total Clark County Investment Pool</b>	<u>\$ 1,024,502,478</u>

The External pool is 55.85% of the Clark County Investment Pool

**Clark County Investment Pool (CCIP)**  
Condensed Statement of Changes in Net Position  
Year Ended December 31, 2022

Investment income (net of distributions)	\$ (18,863,871)
Net Change in Pool Investments	23,753,536
Net Change in Directed Investments	<u>(54,349,752)</u>
Net Increase resulting from Operations	(49,460,087)
Net Position, Beginning	<u>1,073,962,565</u>
Net Position, Ending	<u>\$ 1,024,502,478</u>

Monthly gross investment yields ranged from 0.57% to 1.88% and averaged 1.052% for the year. Following is a table with information on the investment types used by the Pool, as of December 31, 2022.

Investment	Weighted	Fair Value	Amortized	Book Value	Yield Ranges
	Average		Cost		
	Maturity				
US Sponsored Entities	589 days	314,123,325	\$ -	330,554,023	0.16% to 4.89%
US Treasury	294 days	252,980,800	-	261,768,996	0.15% to 2.49%
Supernational	536 days	42,840,750	-	46,019,104	0.21% to 1.00%
Corporate Bonds	759 days	169,397,247	-	174,768,121	0.28% to 4.93%
Municipal Bonds	503 days	124,120,197	-	130,375,832	0.38% to 4.83%
Local Government Investment Pool	turns daily	-	121,040,160	121,040,160	4.12%

Total	\$	903,462,319	\$	121,040,160	\$	1,064,526,236
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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, 2022, the county had the following recurring fair value measurements as detailed below.

	12/31/2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Inside Pool Investments</b>				
<i>Investments by Fair Value</i>				
US Sponsored Entities	\$ 314,123,325	\$ -	\$ 314,123,325	\$ -
US Treasury	252,980,800	252,980,800	-	-
Supernational	42,840,750	-	42,840,750	-
Corporate Bonds	169,397,247	-	169,397,247	-
Municipal Bonds	124,120,197	-	124,120,197	-
Inside Investments at Fair Value	903,462,319	252,980,800	650,481,519	\$ -
Investments measured at amortized costs				
Local Government Investment Pool	121,040,160			
Total measured at amortized cost	121,040,160			
<b>Total Pooled Investments</b>	<b>\$ 1,024,502,479</b>			

**C. Summary of Deposit and Investment Balances**

The reconciliation of cash, cash equivalents (including pooled investments) and investments as show in the government-wide and fund financial statements is as follows:

	<u>Government Wide</u>	<u>Fiduciary Funds</u>
Cash on hand	\$ 198,220	\$ -
Deposits with private financial institutions	578,062	32,904,880
Internal investment pool	452,301,776	-
External investment pool	-	572,200,702
Total deposits and investments	<u>\$ 453,078,058</u>	<u>\$ 605,105,582</u>
Cash, cash equivalents, and pooled investments	\$ 452,363,058	\$ 32,524,788
Pooled investments at fair value	-	572,200,703
Deposits in trust	715,000	380,091
Total deposits and investments	<u>\$ 453,078,058</u>	<u>\$ 605,105,582</u>

**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 balance of taxes receivable includes related interest and penalties. No

allowance for uncollectible taxes is established since delinquent taxes are considered fully collectible at the time of billing due to the statutory lien and priority collection laws in the State of Washington. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

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 (AV) for general governmental services. The County's regular levy in 2021 for tax collection in 2022 was \$0.89 per \$1,000 of AV on net assessed valuation of \$81.17 billion (total AV of \$81.96 billion less \$0.79 billion of exempt property), for a total levy of \$72.71 million.

In addition, the County has a levy for Conservation Futures that was \$0.033 per \$1,000 of net assessed valuation of \$81.17 billion, for a total levy of \$2.74 million.

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 assessed value in 2021 for tax collection in 2022 was \$1.07 per \$1,000 on an assessed valuation of \$37.69 billion for a total road levy of \$40.5 million. The diverted county road levy for 2021 was \$0.12 per \$1,000 on assessed valuation of \$37.69 billion for a total diverted road levy of \$4.5 million.

County provides the legislative and executive functions for the Metropolitan Park District. A parks district is authorized to levy \$0.75 per \$1,000 of assessed valuation within the district for parks operations. This levy is subject to the same limitations as the levy for general government services. The County park district assessed value in 2021 for tax collection in 2022 was \$25.14 billion, the levy rate was \$0.16 per \$1000 of AV, and the total tax levy was \$3.99 million.

All County property tax levies are regular (non-voted). The County has no excess (voted) levies.

The Statistical Section provides detailed assessed valuation (schedule 6), property tax levy rates (schedule 7), and property tax levy and collection history (schedule 8) for the last ten years.

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance-restated	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated/amortized				
Land - restated	\$ 360,952,816	\$ 14,612,760	\$ -	\$ 375,565,576
Infrastructure* - restated	798,380,786	17,352,473	-	\$ 815,733,259
Intangible assets - easements	190,556	8,926	-	199,482
Construction in progress-restated	19,996,825	30,221,989	16,788,042	33,430,772
Total capital assets, not being depreciated/amortized	<u>1,179,520,983</u>	<u>62,196,148</u>	<u>16,788,042</u>	<u>1,224,929,089</u>
Capital assets, being depreciated/amortized:				
Buildings	148,524,424	24,000	-	148,548,424
Improvements other than buildings	108,028,251	265,623	585,488	107,708,386
Machinery and equipment	64,937,962	4,904,583	2,578,927	67,263,618
Intangible assets - software	39,028,412	30,657	142,430	38,916,639
Intangible assets - RTU, SBITA software	-	370,000	-	370,000
Intangible assets - RTU, SBITA subscription	-	6,282,547	-	6,282,547
Intangible assets - RTU, leases	3,069,394	324,800	-	3,394,194
Infrastructure	22,335,335	-	-	22,335,335
Total capital assets being depreciated/ amortized	<u>385,923,778</u>	<u>12,202,210</u>	<u>3,306,845</u>	<u>394,819,143</u>
Less accumulated depreciation/amortization for:				
Buildings	81,983,130	2,350,862	-	84,333,992
Improvements other than buildings	59,453,533	2,918,691	513,815	61,858,409
Machinery and equipment	40,481,192	3,531,840	2,255,468	41,757,564
Intangible assets - software	24,962,264	2,425,579	142,430	27,245,413
Intangible assets - RTU, SBITA software	-	2,775	-	2,775
Intangible assets - RTU, SBITA subscription	-	762,561	-	762,561
Intangible assets - RTU, leases	676,503	700,061	-	1,376,564
Infrastructure*	6,652,526	451,141	-	7,103,667
Total accumulated depreciation/amortization	<u>214,209,148</u>	<u>13,143,510</u>	<u>2,911,713</u>	<u>224,440,945</u>
Total capital assets, being depreciated/amortized, net	<u>171,714,630</u>	<u>(941,300)</u>	<u>395,132</u>	<u>170,378,198</u>
Governmental activities capital assets, net	<u>\$ 1,351,235,613</u>	<u>\$ 61,254,848</u>	<u>\$ 17,183,174</u>	<u>\$ 1,395,307,287</u>
Depreciation/amortization expense was charged to functions as follows:				
General governmental services			\$ 4,581,599	
Public safety			596,261	
Transportation			503,295	
Natural and Economic Environment			649,971	
Health and human services			1,204,601	
Culture and recreation			2,233,238	
			<u>9,768,965</u>	
Depreciation/amortization on capital assets held by the County's internal service funds is charged to various functions based upon their usage.			<u>3,374,546</u>	
Total governmental activities depreciation/amortization expense			<u>\$ 13,143,510</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 of GASB 87 Leases, in 2021 and GASB 96-Subscription Based IT Arrangements (SBITAs) in 2022.

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital assets, not being depreciated/amortized				
Land	\$ 43,651,563	\$ 915,970	\$ -	\$ 44,567,533
Construction in progress	294,308	941,403	12,372	1,223,339
Infrastructure restated*	77,716,223	1,948,568	-	79,664,791
Total capital assets, not being depreciated/amortized	121,662,094	3,805,941	12,372	125,455,663
Capital assets, being depreciated/amortized:				
Buildings	1,741,378	-	-	1,741,378
Improvements other than buildings	891,412	-	-	891,412
Machinery and equipment	303,368	-	31,069	272,299
Infrastructure	944,358	-	-	944,358
Total capital assets being depreciated/amortized	3,880,516	-	31,069	3,849,447
Less accumulated depreciation/amortization for:				
Buildings	1,369,849	10,903	-	1,380,752
Improvements other than buildings-restatement	550,765	17,608	-	568,373
Machinery and equipment	272,557	476	27,964	245,069
Infrastructure*	280,301	21,248	-	301,549
Total accumulated depreciation/amortization	2,473,472	50,235	27,964	2,495,744
Total capital assets, being depreciated/ amortized, net	1,407,044	(50,235)	3,105	1,353,703
Business-type activities capital assets, net	\$ 123,069,138	\$ 3,755,706	\$ 15,477	\$ 126,809,366

Depreciation/amortization expense was charged to functions as follows:

Golf Course	\$ 32,151
Solid Waste	17,608
Clean Water	476
Total business-type activities depreciation/amortization expense	\$ 50,235

\* 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, 2022 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	Notes, Contracts	Total
<b>Governmental Activities</b>						
General Fund	\$ 13,938,127	\$ 7,232,721	\$ -	\$ 2,082,853	\$ 294,396	\$ 23,548,097
Development Impact Fees	-	-	-	-	-	-
County Roads	1,903,234	128,474	-	7,643,549	-	9,675,257
Community Service Grants	-	455,653	-	7,545,753	11,797,904	19,799,310
Nonmajor Governmental	3,440,203	1,124,807	20,830,463	12,992,879	1,430	38,389,782
Internal Service	-	779,868	634,012	1,358,764	-	2,772,644
<b>Total Governmental</b>	<b>\$ 19,281,564</b>	<b>\$ 9,721,523</b>	<b>\$ 21,464,475</b>	<b>\$ 31,623,798</b>	<b>\$ 12,093,730</b>	<b>\$ 94,185,090</b>
<b>Business-Type Activities</b>						
Clean Water	181,397	4,318	-	667,196	-	852,911
Nonmajor Enterprise	-	248,703	-	166,487	-	415,190
<b>Total Business-Type</b>	<b>\$ 181,397</b>	<b>\$ 253,021</b>	<b>\$ -</b>	<b>\$ 833,683</b>	<b>\$ -</b>	<b>\$ 1,268,101</b>
<b>Total Gross Receivables</b>	<b>\$ 19,462,961</b>	<b>\$ 9,974,544</b>	<b>\$ 21,464,475</b>	<b>\$ 32,457,481</b>	<b>\$ 12,093,730</b>	<b>\$ 95,453,191</b>



**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, 2022 is shown in the following table.

Due to These Funds	Due From These Funds							Total
	General Fund	County Roads	Comm. Svc. Grants	American Rescue Plan	Other Governmental	Other Enterprise	Internal Service	
General Fund		164,639			1,562,140		540,166	2,266,946
County Roads							721,351	721,351
Community Svc. Grants					24			24
American Rescue Plan	522,850	91	15,143		919,440		1,754	1,459,278
Development Impact Fees		1,033,818			714,042			1,747,860
Other Governmental	94,699	4,146,815	69,246	221	810,481	37,857	341,520	5,500,837
Clean Water		428,250					4,157	432,408
Other Enterprise					136,917			136,917
Internal Service	1,063	32,878					15,078	49,018
<b>Total</b>	<b>618,612</b>	<b>5,806,491</b>	<b>84,389</b>	<b>221</b>	<b>4,143,045</b>	<b>37,857</b>	<b>1,624,028</b>	<b>12,314,639</b>

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, 2022 are as follows:

Transfers In to these funds	Transfers Out of these funds							Total
	General Fund	County Roads	American Rescue Plan	Dev. Impact Fees	Other Governmental	Clean Water	Non-Major Enterprise	
General Fund			12,095,268		919,026		11,093	\$ 13,025,386
County Roads	12,000			3,797,407	3,715,411			\$ 7,524,818
Comm. Services Grants	1,200,366							\$ 1,200,366
Other Governmental	6,960,707	2,098,376		2,860,306	16,104,106	641,922	150,000	\$ 28,815,417
Internal Service	3,353,339				233,996		45,000	\$ 3,632,335
<b>Total</b>	<b>\$ 11,526,412</b>	<b>\$ 2,098,376</b>	<b>\$ 12,095,268</b>	<b>\$ 6,657,713</b>	<b>\$ 20,972,538</b>	<b>\$ 641,922</b>	<b>\$ 206,093</b>	<b>\$ 54,198,322</b>

- The County Road fund received \$3.8 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 \$4.7 million from the Mental Health Sales Tax fund.

**NOTE 9 – LEASES AND SERVICE-BASED IT ARRANGEMENTS (SBITAs)**

**A. County as Lease Lessee**

The County is committed under various leases for buildings (office space and storage) and equipment (copiers). At December 31, 2022, 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 in the fund level statements of (1) Net Position and (2) Revenues, Expenses and Changes in Net Position. Both roll into the government-wide statements. Governmental funds report lessee leases current expenditures in the fund level Statement of Revenue, Expenses and Changes in Fund Balances, while total economic resources are reported in the government-wide statements.

The County capitalization threshold is \$100K starting in 2022 (formerly \$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 as (1) each copier lease is below the capitalization threshold and (2) the copier leases taken as a whole are expensed throughout various funds of the County and are deemed immaterial. 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
<b>Governmental Activities</b>				
Capital assets being amortized				
RTU Buildings	3,069,394	324,800	-	3,394,194
Total	<u>\$ 3,069,394</u>	<u>\$ 324,800</u>	<u>\$ -</u>	<u>\$ 3,394,194</u>
Less accumulated amortization for:				
RTU Buildings	676,503	700,061	-	1,376,564
Total	<u>\$ 676,503</u>	<u>\$ 700,061</u>	<u>-</u>	<u>\$ 1,376,564</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:			
2023	658,016	215,137	873,152
2024	433,249	157,749	590,998
2025	261,893	120,875	382,768
2026	226,431	86,695	313,126
2027	166,165	61,504	227,669
2028-2032	465,248	89,465	554,713
<b>Total</b>	<b>\$ 2,211,001</b>	<b>\$ 731,425</b>	<b>\$ 2,942,426</b>

**Notes:**

The weighted-average remaining lease term is 4.9 years.  
The weighted-average discount rate is 11.23%.

**B. County as Lease Lessor**

At December 31, 2022, the County has twelve 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 County capitalization threshold is \$100K in 2022 (formerly \$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 Center For Community Health Building: Houses external tenants (comprising five 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 \$13.5 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 \$0.3 million as of year-end.

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

<b>Lease Receivables</b>			
Governmental Activities			
	Principal	Interest	Total Requirements
December 31:			
2023	\$ 756,269	\$ 2,243,034	\$ 2,999,303
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	954,625	1,865,153	2,819,778
2028-2032	6,272,439	7,253,513	13,525,952
2033-3037	6,339,330	2,918,261	9,257,591
2038-2042	1,958,151	1,291,849	3,250,000
2043-2047	2,723,086	526,914	3,250,000
<b>Total</b>	<b>\$ 21,464,475</b>	<b>\$ 22,292,343</b>	<b>\$ 43,756,818</b>

**Notes:**

The weighted-average remaining lease term is 16.6 years.  
The weighted-average discount rate is 11.36%.

**C. County as SBITA Lessee**

The County is committed under various service-based IT arrangements (SBITAs). At December 31, 2022, the County has eight qualifying SBITAs under GASB 96 in which it is acting as Lessee. Under GASB 96, an incremental borrowing rate (IBR) is calculated for each individual SBITA using the Washington State Treasurer LOCAL Loan Program bond sale results adjusted to reflect a "lease credit" interest rate. The present value of the SBITAs are aggregated on a fund basis. Governmental funds report lessee SBITAs current expenditures in the fund level Statement of Revenue, Expenses and Changes in Fund Balances, while total economic resources are reported in the government-wide statements. There are no business activity SBITAs at this time

The County has two independent criteria for SBITA capitalization:

1. Any qualifying implementation costs (typically post-selection expenses excluding training) of \$100K present value or more are capitalized and amortized over ten years, or
2. Post implementation annual subscription costs of \$100K present value or more are

capitalized and amortized over the life of the SBITA agreement including possible extensions. Negotiated multi-year price guarantees (typically with annual price increases) are treated as options to extend since the County procurement cycle for SBITAs is 3-4 years. Annual SBITA agreements with no extension options or price guarantees are treated as short-term and expensed as incurred.

In most cases, a SBITA will have capitalized costs under criteria two only.

GASB 96 was implemented on 1/1/2022.

The right-to-use (RTU) intangible capital assets associated with the lessee SBITAs:

	Beginning Balance	Increase	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets being amortized				
RTU SBITA-Software Implementations	-	370,000	-	370,000
RTU SBITA-Software Subscriptions	-	6,282,547	-	6,282,547
Total	<b>\$ -</b>	<b>\$ 6,652,547</b>	<b>\$ -</b>	<b>\$ 6,652,547</b>
Less accumulated amortization for:				
RTU SBITA-Software Implementations	-	2,775	-	2,775
RTU SBITA-Software Subscriptions	-	762,561	-	762,561
Total	<b>\$ -</b>	<b>\$ 765,336</b>	<b>\$ -</b>	<b>\$ 765,336</b>

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

<b>SBITAs Payable</b>			
Governmental Activities			
	Principal	Interest	Total Requirements
December 31:			
2023	1,406,290	129,967	1,536,257
2024	1,258,813	90,682	1,349,495
2025	1,172,941	52,445	1,225,386
2026	513,507	16,352	529,859
2027	61,805	495	62,300
<b>Total</b>	<b>\$ 4,413,356</b>	<b>\$ 289,941</b>	<b>\$ 4,703,297</b>

**Notes:**

The weighted-average remaining subscription term is 3.8 years.  
The weighted-average discount rate is 3.02%.

## 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 2022 was \$38,795,000. During 2022, bonds were paid down by \$5,018,630 thru principal amounts maturing and \$24,106,370 was paid with refunding proceeds.

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 Clark County general obligation debt is as follows:

Bond Series	Original Amount	Description	Amount Outstanding
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.	\$ 3,565,000
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.	6,105,000
Totals	\$ 11,365,000		\$ 9,670,000

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
2023	\$ 480,000	\$ 367,386
2024	495,000	400,543
2025	520,000	379,913
2026	545,000	357,933
2027	570,000	334,288
2028-2032	3,260,000	1,210,773
2033-2037	3,290,000	530,695
2038-2042	510,000	20,400
<b>Totals</b>	<b>\$ 9,670,000</b>	<b>\$ 3,601,931</b>

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 2022 was \$15,370,000. In 2022, 2022 LTGO was issued to refund the 20212R bonds. Direct placement G.O. bonds were paid down by \$3,005,000 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.	\$ 12,365,000

2022 LTGO Refunding	24,197,339	Bonds are due in annual installments of \$670,391 to \$1,412,094 through 2042, with interest rates ranging from 3.16% to 3.46%. This issue is serviced by the following funds: Real Estate Excise TAs, Campus Development, Exhibition Hall and General Fund. This issue refunded portions of the 2004A LTGO Issue.	\$ 24,197,339
		Total	\$ 36,562,339

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

**Direct Placement General Obligation Bonds**

**Year Ending December 31, 2022**

	<u>Principal</u>	<u>Interest</u>
2023 \$	4,497,094	\$ 1,029,125
2024	4,668,100	918,316
2025	4,806,348	802,697
2026	4,487,597	687,900
2027	1,918,169	605,548
2028-2032	8,093,386	2,171,307
2033-2037	4,956,515	936,447
2038-2042	3,135,130	332,802
<b>Totals</b> \$	<u>36,562,339</u>	<u>\$ 7,484,142</u>

**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 2003, three loans in 2004, one in 2008, and one in 2011 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 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.



All of these loans are classified as direct placement debt. Advances Due to Other Governments for debt service requirements to maturity are as follows:

<b>Direct Placement Governmental Activities</b>		
<b>Year Ending December 31</b>	<b>Principal</b>	<b>Interest</b>
<b>2023</b>	\$ 1,587,834	\$ 47,297
<b>2024</b>	1,510,646	39,357
<b>2025</b>	1,145,766	31,804
<b>2026</b>	1,145,766	26,075
<b>2027</b>	1,145,766	20,346
<b>2028-2031</b>	2,923,525	32,395
<b>Totals</b>	<b>\$ 9,459,303</b>	<b>\$ 197,274</b>

### 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
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	632,231	15,360	647,590
2028	214,635	1,231	215,866

3,209,065	244,752	3,453,816
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## 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, 2022.

## E. Current Refundings

In July 2022, the County issued \$24,197,339 of G.O. refunding bonds with an average interest rate of 3.31% to refund the 2012R LTGO bonds with an average interest rate of 4.00%. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net position. The County completed the current refunding to reduce its total debt service payments over the next 12 years by \$3,119,790 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$857,856.

### 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, 2022:

	Beginning Balance Restated	New Issues	Retirements	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
<b>Governmental Funds-</b>					
Bonds payable - public offerings	\$ 38,795,000	\$ -	\$ 29,125,000	\$ 9,670,000	\$ 480,000
General obligation bonds					
Unamortized amounts:					
For issuance premiums	4,490,242	-	3,906,771	583,471	36,467
Bonds payable - direct placements	15,370,000	24,197,339	3,005,000	36,562,339	4,497,094
Total bonds payable	58,655,242	24,197,339	36,036,771	46,815,810	5,013,561
Private placement financing arrangement	3,760,163	-	551,098	3,209,065	566,445
Asset retirement obligation**	3,618,375	386,689	-	4,005,064	-
Leases payable	1,550,969	324,800	293,430	1,582,339	298,702
SBITAs payable	-	6,282,547	1,869,191	4,413,356	1,406,290
Advances due to other governments	11,500,177	-	2,040,875	9,459,302	1,587,834
Pollution remediation liability**	5,794,670	192,439	-	5,987,109	659,200
Total OPEB Liability	26,225,468	-	2,850,234	23,375,234	1,206,836
Net Pension liability	7,712,404	8,442,844	-	16,155,248	-
Claims and judgments*	114,364	1,202	-	115,566	114,364
Compensated absences	14,100,356	17,560,857	17,841,560	13,819,653	1,726,253
Total Governmental Funds	133,032,188	57,388,717	61,483,159	128,937,746	12,579,485
<b>Internal Service Funds</b>					
Claims and judgments	10,187,158	1,436,636	-	11,623,794	2,817,120
Contracts Payable	377,875	-	113,694	264,181	50,522
Leases payable	951,383	-	322,721	628,662	359,314
Asset retirement obligation	880,000	-	-	880,000	-

Total OPEB Liability	109,727	13,408	-	123,135	8,191
Net Pension liability	437,373	489,944	-	927,317	-
Compensated absences	673,043	921,174	865,043	729,174	75,041
Total Internal Service Funds	<u>13,616,559</u>	<u>2,861,162</u>	<u>1,301,458</u>	<u>15,176,263</u>	<u>3,310,188</u>
<b>Total Governmental Activities</b>	<u>\$ 146,648,747</u>	<u>\$ 60,249,879</u>	<u>\$ 62,784,617</u>	<u>\$ 144,114,009</u>	<u>\$ 15,889,673</u>
<b>Business-type activities</b>	Beginning Balance	New Issues	Retirements	Ending Balance	Due Within One Year
Contracts Payable	611,882	\$ -	\$ 611,882	-	\$ -
Total OPEB Liability	67,401	-	18,164	49,237	3,275
Net Pension liability	237,672	130,031	-	367,703	-
Compensated absences	444,660	302,478	383,568	363,570	16,827
<b>Total Business-type Activities</b>	<u>\$ 1,361,615</u>	<u>\$ 432,509</u>	<u>\$ 1,013,614</u>	<u>\$ 780,510</u>	<u>\$ 20,102</u>

\* Claims and judgments are included in the Governmental Fund Financial Statements, as well as government-wide statements.

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, 2022 the remaining non-voted debt capacity was \$1,482,953,044 and the remaining voted and non-voted capacity was \$2,463,706,330.

**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**

	<b>General Fund</b>	<b>County Roads</b>	<b>Community Services Grants</b>	<b>American Rescue Plan</b>	<b>Development Impact Fees</b>	<b>Other Government Funds</b>
<b>Nonspendable</b>						
Prepays	1,417,907	146,906	6,523	901,212	-	398,715
Inventories	2,090	2,450,993	-	-	-	2,020
<b>Total nonspendable</b>	<b>1,419,997</b>	<b>2,597,899</b>	<b>6,523</b>	<b>901,212</b>	<b>-</b>	<b>400,735</b>
<b>Restricted For:</b>						
<i>General Government:</i>						
Crime victim compensation	-	-	-	-	-	37,844
Anti-profiteering program	-	-	-	-	-	36,967
Legislative/administrative support	-	-	-	-	-	1,821,819
Facilities maintenance	-	-	-	-	-	1,909,884
<i>Public safety:</i>						
Drug enforcement	-	-	-	-	-	689,129
Emergency communications	-	-	-	-	-	1,388,160
Law enforcement	-	-	-	-	-	217,612
<i>Physical environment:</i>						
Pollution remediation	-	-	-	-	-	11,457,357
<i>Transportation:</i>						
Road projects & operations	-	33,116,035	-	-	14,590,528	-
<i>Economic environment:</i>						
Affordable housing	-	-	22,232,568	-	-	1,079,459
Legislative/administrative support	-	-	1,783,220	-	-	-
Weatherization & energy	-	-	1,159,915	-	-	-
efficiency	-	-	734,602	-	-	-
Community action programs	-	-	-	-	-	-
Tourism promotion	-	-	-	-	-	277,722
Veteran's assistance	-	-	-	-	-	585,066
Industrial development financing	-	-	-	-	-	20,469
Developmental disability	-	-	-	-	-	-
programs	-	-	-	-	-	1,392,253
Economic Development	-	-	-	-	-	35,550,123
<i>Health and human services:</i>						
Mental health programs	-	-	-	-	-	25,229,831
Substance abuse programs	-	-	-	-	-	3,201,050

Public and environmental health programs	-	-	-	-	10,903,155
Child abuse prevention program					495,448
Opioid and overdose response					723,342
<i>Cultural/recreational:</i>					
Youth services	-	-	1,400,501	-	-
Law Library	-	-	-	-	310,106
Parks capital and operations	-	-	-	-	4,055,057
Parks acquisition & development	-	-	-	-	26,878,513
Camp Bonneville cleanup & development	-	-	-	-	2,754,026
<i>Debt service</i>	-	-	-	-	13,169,035
<b>Total restricted</b>	<b>-</b>	<b>33,116,035</b>	<b>27,310,806</b>	<b>-</b>	<b>45,524,098</b>

**GOVERNMENTAL FUND BALANCES - continued**

	General Fund	County Roads	Community Services Grants	American Rescue Plan	Development Impact Fees	Other Government Funds
<b>Committed For:</b>						
Construction inspection/permitting	-	-	-	-	-	11,218,735
<b>Total committed</b>	-	-	-	-	-	<b>11,218,735</b>
<b>Assigned for:</b>						
<i>General Govt:</i>						
Facilities maintenance	10,000,000	-	-	-	-	1,704,213
Techonology Projects	-	-	-	-	-	943,569
Crime victim compensation	-	-	-	-	-	124
<i>Public safety</i>						
Law enforcement	-	-	-	-	-	79,180
<i>Economic environment:</i>						
Construction/permitting operating & capital	-	-	-	-	-	1,091,008
Home Buyer Asistance Program	2,000,000	-	-	-	-	-
County Capital Projects	20,000,000	-	-	-	-	-
<i>Health and human services:</i>						
Public and environmental health programs	-	-	-	-	-	4,785
<i>Culture/recreation:</i>						
Parks capital and operations	-	-	-	-	-	143,122
Fair and event center operations	-	-	-	-	-	1,479,536
<i>Compensated absences</i>	2,424,024	344,432	121,496	9,309	-	555,393
<b>Total assigned</b>	<b>34,424,024</b>	<b>344,432</b>	<b>121,496</b>	<b>9,309</b>	<b>-</b>	<b>6,000,930</b>
<b>Unassigned:</b>	<b>44,079,673</b>	<b>-</b>	<b>-</b>	<b>(906,518)</b>	<b>-</b>	<b>(5,282)</b>
<b>Total</b>	<b>79,923,642</b>	<b>36,058,365</b>	<b>27,438,824</b>	<b>4,004</b>	<b>45,524,098</b>	<b>149,882,165</b>

**NOTE 13 – PENSION PLANS**

The following table represents the aggregate pension amounts for all plans for the year 2022:

<b>Aggregate Pension Amounts - All Plans</b>	
Pension liabilities	\$ 17,450,268
Pension assets	40,656,393
Deferred outflows of resources	35,945,460
Deferred inflows of resources	35,112,965
Pension expense/expenditures	(634,318)

**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 downloaded from the DRS website at [www.drs.wa.gov](http://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 2022 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates:</b>	<b>Employer</b>	<b>Employee</b>
January-August 2022:		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
<b>Total</b>	<b>10.25%</b>	<b>6.00%</b>
September-December 2022:		
PERS Plan 1	6.36%	6.00%
Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
<b>Total</b>	<b>10.39%</b>	<b>6.00%</b>

**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 2022 were as follows:

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates:</b>	<b>Employer 2/3</b>	<b>Employee 2</b>
January-August 2022:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>10.25%</b>	6.36%
September-December 2022:		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.85%	



Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>Total</b>	<b>10.39%</b>	<b>6.36%</b>

Clark County's actual PERS plan contributions were \$4,173,438 to PERS Plan 1 and \$6,372,048 to PERS Plan 2/3 for the year ended December 31, 2022.

**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 2022 were as follows:

PSERS		
Actual Contribution Rates:	Employer	Employee
<b>January-August 2022:</b>		
PSERS Plan 2	6.50%	6.50%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
<b>Total</b>	<b>10.39%</b>	<b>6.50%</b>
<b>September-December 2022:</b>		
PSERS Plan 2	6.60%	6.60%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
<b>Total</b>	<b>10.63%</b>	<b>6.60%</b>

The County’s actual plan contributions were \$682,183 to PSERS Plan 2 and \$392,138 to PERS Plan 1 for the year ended December 31, 2022.

**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 2022. 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 2022.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
<b>January - December 2022:</b>		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.30%</b>	<b>8.53%</b>
Ports and Universities	8.53%	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>8.71%</b>	<b>8.53%</b>

Clark County's actual contributions to the plan were \$799,242 for the year ended December 31, 2022.

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, 2022, the state contributed

\$81,388,085 to LEOFF Plan 2. The amount recognized by Clark County as its proportionate share of this amount is \$470,987.

### **Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2022 with a valuation date of June 30, 2021. 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 *2021 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022. Plan liabilities were rolled forward from June 30, 2021, to June 30, 2022, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.00%

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.

The actuarial results reflect the following changes in assumptions and methods since the last valuation.

#### Method Changes

Methods did not change from the prior contribution rate setting June 30, 2019 Actuarial Valuation Report (AVR), however OSA introduced a temporary method change to produce asset and liability measures for the June 30, 2020 AVR. There were also the following assumption changes:

- OSA updated the Joint-and-Survivor Factors and Early Retirement Factors in the model. Those factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors provided to DRS for future implementation that reflect current demographic and economic assumptions.
- OSA updated the economic assumptions based on the 2021 action of the PFC and the LEOFF Plan 2 Retirement Board. The investment return assumption was reduced from 7.5% (7.4% for LEOFF 2) to 7.0%, and the salary growth assumption was lowered from 3.5% to 3.25%. This action is a result of recommendations from OSA's biennial economic experience study.

### **Discount Rate**

The discount rate used to measure the total pension liability for all DRS plans was 7.0 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 7.0 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 7.0 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, 2022, are summarized in the table below. The inflation component used to create the table is 2.20 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%	1.50%
Tangible Assets	7%	4.70%
Real Estate	18%	5.40%
Global Equity	32%	5.90%
Private Equity	23%	8.90%
	<b>100%</b>	

**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 7.0 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 (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate.

	1% Decrease 6.00%	Current Discount. Rate 7.00%	1% Increase 8.00%
PERS 1	\$ 23,313,318	\$ 17,450,268	\$ 12,333,200
PERS 2/3	32,326,170	(27,450,172)	(76,560,215)
PSERS 2	2,253,077	(945,943)	(3,470,671)
LEOFF 1	(2,379,980)	(2,715,831)	(3,007,065)
LEOFF 2	(439,511)	(9,544,448)	(16,996,057)

**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, 2022, the County reported its proportionate share of the net pension liabilities (assets) as follows:

Liability (or Asset)	
PERS 1	\$ 17,450,268
PERS 2/3	(27,450,172)
PSERS 2	(945,943)
LEOFF 1	(2,715,831)
LEOFF 2	(9,544,448)

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
LEOFF - employer's proportionate share	\$ (2,715,831)	\$ (9,544,448)
LEOFF - State's proportionate share of the net pension asset associated with the employer	(18,369,811)	(6,182,685)
Total	\$ (21,085,642)	\$ (15,727,133)

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

	Proportionate Share 6/30/21	Proportionate Share 6/30/22	Change in Proportion
PERS 1	0.68680%	0.62672%	-0.06008%
PERS 2/3	0.79848%	0.74014%	-0.05834%
PSERS 2	1.31820%	1.32300%	0.00479%
LEOFF 1	0.09555%	0.09467%	-0.00087%
LEOFF 2	0.36622%	0.35120%	-0.01503%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2022 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 2022. 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 2022, 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, 2022, the County recognized pension expense as follows:

Pension Expense	
PERS 1	\$ 6,664,461
PERS 2/3	(9,248,784)
PSERS 2	278,032
LEOFF 1	(103,857)
LEOFF 2	1,775,830
Total	\$ (634,318)

### Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022, 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	\$ -	\$ (2,892,022)
Contributions subsequent to the measurement date	2,182,611	-
Total	\$ 2,182,611	\$ (2,892,022)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,801,510	\$ (621,401)
Net difference between projected and actual investment earnings on pension plan investments	-	(20,294,115)
Changes of assumptions	15,299,681	(4,006,004)
Changes in proportion and differences between contributions and proportionate share of contributions	652,538	(1,759,945)
Contributions subsequent to the measurement date	3,280,251	-
Total	\$ 26,033,980	\$ (26,681,465)

PSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 491,411	\$ (10,411)
Net difference between projected and actual investment earnings on pension plan investments	-	(663,383)
Changes of assumptions	694,444	(277,456)
Changes in proportion and differences between contributions and proportionate share of contributions	4,140	(53,680)
Contributions subsequent to the measurement date	373,670	-
Total	\$ 1,563,665	\$ (1,004,930)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (339,109)
Total	\$ -	\$ (339,109)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,267,918	(88,556)
Net difference between projected and actual investment earnings on pension plan investments	-	(3,195,847)
Changes of assumptions	2,417,878	(831,060)

Changes in proportion and differences between contributions and proportionate share of contributions	1,065,653	(79,976)
Contributions subsequent to the measurement date	413,755	-
Total	\$ 6,165,204	(4,195,439)

TOTAL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,560,839	(720,368)
Net difference between projected and actual investment earnings on pension plan investments	-	(27,384,476)
Changes of assumptions	18,412,003	(5,114,520)
Changes in proportion and differences between contributions and proportionate share of contributions	1,722,331	(1,893,601)
Contributions subsequent to the measurement date	6,250,287	-
Total	\$ 35,945,460	(35,112,965)

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, 2023. 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
2023	\$ (1,223,844)	\$ (6,748,809)	\$ (222,063)	\$ (143,623)	\$ (875,508)
2024	(1,111,567)	(5,965,243)	(194,455)	(130,041)	(741,845)
2025	(1,394,427)	(7,012,465)	(250,592)	(162,601)	(1,029,688)
2026	837,815	9,168,268	314,829	97,156	1,506,723
2027	-	3,309,072	77,775	-	511,762
Thereafter	-	3,321,441	459,571	-	2,184,567

#### 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, 2022, the County had 861 active participants in 457 plans and a total of 1,300 accounts, having accumulated deposits with a fair value of \$111,479,628. 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.

The County Section 457 plan is a single-employee defined contribution plan. Plan benefit terms have been established by county code. The County does not make matching contributions on behalf of participating employees. No assets are accumulated in trusts or equivalent arrangements by the county which meet the criteria in GASB 73, paragraph 101. The plan assets are administered by a private party, Lincoln financial. Plan assets are held in each employee's name and are immediately vested. As of December 31, 2022 the County had 861 active



participate in the plan and a total of 1,300 accounts.

Contributions. The employee may voluntarily contribute to the plan at a rate of their election up to the limits imposed by Internal Revenue Code (IRC) section 457. There was no payable to the administrator at December 31, 2022.

## 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 2022:

Aggregate OPEB Amounts	
OPEB Liabilities	\$ 23,547,606
Deferred Outflows of Resources - OPEB	1,206,478
Deferred Inflows of Resources - OPEB	9,898
OPEB expense / expenditures	(1,646,599)

### 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 15.B.) and the second OPEB plan for all other retirees (PERS and LEOFF 2) (see note 15 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, 2022, 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
	<u>1,647</u>

### 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, 2022, the County’s implicit subsidy contributions were \$122,691.

### Actuarial Assumptions

The total OPEB liability (TOL) of \$2,406,324 was measured as of December 31, 2022, 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 2022 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 cost trend rate 4%

Plan Liabilities were rolled forward from December 31, 2021, to December 31, 2022, reflecting each plan's normal cost (using the entry-age normal level percent of salary), assumed interest and implicit subsidy contributions.

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, 2022 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	\$ 2,579,532	\$ 2,406,324	\$ 2,240,638

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 2,127,028	\$ 2,406,324	\$ 2,738,283

Changes in the Total OPEB Liability

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

Total OPEB Liability at December 31, 2021	\$ 2,337,565
Changes for the Year	
Service Cost	164,571
Interest	46,686
Benefit Payments	(142,498)
Net Changes	68,759
Total OPEB Liability at December 31, 2022	<u>\$ 2,406,324</u>

The County reported \$285,357 as non-LEOFF 1 OPEB expense for the calendar year 2022.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows	Deferred Inflows
_____		

	<u>of Resources</u>	<u>of Resources</u>
Difference between expected and actual experience	\$ 345,669	\$ 9,898
Changes of assumptions or other inputs	<u>331,698</u>	<u>-</u>
Total	<u>\$ 677,367</u>	<u>\$ 9,898</u>

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

Year Ending		
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 43 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, 2022, the following employees were covered by the benefit terms:

	Total
Active Employees	0
Inactive Employees or Beneficiaries currently receiving benefits	43
Inactive Employees entitled to but not yet receiving benefits payments	<u>0</u>
	<u>43</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, 2022, benefit payments made by the County were \$248,232.

### 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 \$21,141,282 was measured as of June 30, 2022, with a valuation date of June 30, 2022. 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: 2.16% beginning of measurement year, 3.54% end of measurement year
- Healthcare cost trend rate: for medical costs, 5.0%; for long-term care, 4.5%; Medicare Part B premiums vary, approximately 5.5%.

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 3.54 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 (2.54 percent) or 1-percentage point higher (4.54 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 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%, 3.5% long term care trend rate) or 1-percentage point higher (6%, 5.5% long term care trend rate) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 23,553,195	\$ 21,141,282	\$ 19,089,971

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 19,172,992	\$ 21,141,282	\$ 23,402,376

### Changes in the Total OPEB Liability

At the measurement date June 30, 2022, the changes in the total OPEB liability are as follows:

Total OPEB Liability at December 31, 2021	\$ 24,065,031
Changes for the Year:	
Interest	509,151
Changes in Experience Data and Assumptions	(2,441,107)
Estimated benefit payments	<u>(991,793)</u>
Net Changes	<u>(2,923,749)</u>
Total OPEB Liability at December 31, 2022	\$ <u>21,141,282</u>

The County reported (\$1,931,956) as LEOFF 1 OPEB expense for the calendar year 2022.

At December 31, 2022, the County reported deferred outflows of resources for deferred outflows subsequent to the measurement date in the amount of \$529,111. This will be recognized as reduction of liability in the period ending December 31, 2023.

### **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 2022 there were \$8,614,515 in increases to TIF credits. The amount of credits applied toward traffic impact fees in 2022 was \$3,927,805. The amount of credits that may be applied against future traffic impact fees is \$11,246,837 at December 31, 2022.

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, 2022 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 \$11,267,960 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, 2022, Clark County has a total liability of \$6.3 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 2022 is \$6.2 million. The following schedule reconciles the current year and prior year claims liability.

	<u>2022</u>	<u>2021</u>
Beginning claims liability	\$ 4,915,823	\$ 5,262,000
Claims incurred during the year and changes in estimates for claims of prior periods (incl. IBNR)	5,555,956	4,581,826
Payments made on claims	(4,269,295)	(4,928,003)
Ending claims liability	<u>\$ 6,202,484</u>	<u>\$ 4,915,823</u>

The General Liability fund currently has a net position of \$8.8 million. If additional resources are required to satisfy current claims, the County may consider a reassessment of premiums.

### Unemployment

The County is self-insured for unemployment insurance claims. As of December 31, 2022 there is \$0.9 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.

	<b>2022</b>	<b>2021</b>
Beginning claims liability	\$ 287,676	\$ 287,676
Claims incurred during the year and changes in estimates for claims of prior periods (incl. IBNR)	202,352	79,628
Payments made on claims	(202,352)	(79,628)
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 net position of \$1.5 million.

The County currently has an accrued claims liability of \$3.6 million in the Workers Compensation internal service fund. In 2022 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:

	<b>2022</b>	<b>2021</b>
Beginning claims liability	\$ 3,496,764	\$ 2,824,000
Claims incurred during the year and changes in estimates for claims of prior periods (incl. IBNR)	2,249,348	3,246,376
Payments made on claims	(2,103,178)	(2,573,612)
Ending claims liability	<u>\$ 3,642,934</u>	<u>\$ 3,496,764</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:

	<b>2022</b>	<b>2021</b>
Beginning claims liability	\$ 1,486,900	\$ 1,467,700
Claims incurred during the year and changes in estimates for claims of prior periods (incl. IBNR)	19,549,944	19,776,291
Payments made on claims	(19,134,944)	(19,757,091)
Ending claims liability	<u>\$ 1,901,900</u>	<u>\$ 1,486,900</u>

The County began accounting for an estimated liability in 2015. As of December 31, 2022 the IBNR was estimated to be \$1.9 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, 2022, total fund balance for the self-insurance fund is \$6.1 million.



## **NOTE 18 – RESTRICTED NET POSITION**

Clark County's government-wide statement of net position reports a restricted net position of \$259.1 million, of which \$132.7 million is restricted by enabling legislation and state laws, \$40.0 million by pensions, \$72.5 million by grantors, and \$13.2 million by bond covenants and debt service.

## **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.

On October 3, 2022, the Attorney General of Washington state announced a settlement relating to the Ferguson's lawsuit with three companies that were found to have played key roles in fueling the Opioid epidemic in the United States. It was determined that Clark County would receive a portion of this settlement to be used exclusively for treatment options, youth-focused prevention strategies, support for first responders and other evidence-based programs and services that will help local communities heal from the epidemic. This settlement was the largest Opioid recovery to date, however, other litigation against other large Opioid manufacturers and other parties continues. The county created a new special revenue fund in 2022 to record amount received for these settlements, as of the end of 2022 the county recorded a receivable of \$9.7 million, however, it is anticipated that there will be more settlements in the coming years with the known outstanding litigation pending.

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 2022 was \$4,950,000.

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 Lechner 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 2023, the end of the 30-year post-closure monitoring period. This budget is the basis for the estimates for the year ending December 31, 2022. The remaining estimated liability is approximately \$6 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 2023; 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 2022:

<b>Government Wide</b>		
Governmental activities	\$ 2,799,516	Correct asset retirement obligations omitted during implementation and adjusting useful lifes.
Business activities	\$ 2,713,669	Contribution adjustment for stormwater capital assets not included in prior years.
<b>Total Government wide activities</b>	<b>\$ 5,513,185</b>	
<b>Governmental Funds:</b>		
	1,537,541	Majority of this is recording revenue that was related to jail bed revenue that was earned in prior periods and not recorded when earned. Additionally correcting a tax accrual that was not reversed timely.
<b>General fund:</b>		
Non major governmental fund	\$ 637,279	Correcting a tax accrual that was not reversed timely.
<b>Total Governmental Funds:</b>	<b>2,174,820</b>	
<b>Proprietary Funds:</b>		
Clean Water:	2,609,790	Contribution adjustment for stormwater capital assets not included in prior years.
Other Non major Enterprise funds:	103,879	Correcting a transaction that was reported twice in prior financial statements
<b>Total Proprietary Funds:</b>	<b>2,713,669</b>	
<b>Total Primary Government</b>	<b>\$ 4,888,489</b>	

**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, 2022, \$425,039 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.

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, 2022, \$8,987 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, 2022 is \$880,000 and the deferred outflow is \$170,688.

The County operates 14 wells in various park locations having estimated useful lives remaining of 48 to 95 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, 2022 is \$242,835 and the deferred outflow is \$174,846.

The County also operates three mining quarries. Two of the quarries have completed mining and one is nearing completion; however, no efforts were performed in 2022. 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, 2022 to be \$3,762,228. 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 transferred all remaining assets to operate the Salmon Creek Wastewater Management System to the Alliance on June of 2022. This is listed on the financial statements as a special item. The Sanitary Sewer Fund comprises the revenues and expenses related to the activity of operations from January through June of 2022 and then the transfer of all remaining assets to the Alliance for the remainder of the year .

#### D. Implementation of New Accounting GASB Pronouncements

The County implemented GASB No. 96 Subscription Based IT Arrangements (SBITAs) on January 1, 2022. This statement requires recognition of certain cloud-based right-to-use (RTU) software implementation and subscription assets and associated lessee liabilities that previously were classified, respectively, as intangible assets-software and operating subscriptions and recognized as outflows of resources based upon the payment provisions of the contract. It establishes a single model for IT subscription accounting based upon the foundational principle that software subscriptions are financings of the right to use an underlying asset. SBITAs where the maximum possible lease term is one year or less continue to be reported as operating subscriptions. Perpetual software licenses and SBITAs that transfer ownership and contain no cancelation provisions are reported as debt by the lessee and sale of an asset by the lessor.

There are no adjustments to 2022 beginning balances to implement GASB 96 SBITAs:

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

The County implemented GASB No. 97 for the year ended December 31, 2022. The County Section 457 plan is a single-employee defined contribution plan. Plan benefit terms have been established by county code. The County does not make matching contributions on behalf of participating employees. No assets are accumulated in trusts or equivalent arrangements by the county which meet the criteria in GASB 73, paragraph 101. The plan assets are administered by a private party, Lincoln financial. Plan assets are held in each employee's name and are immediately vested.

**Clark County**  
**Required Supplementary Information -**  
**Other Post Employment Benefits - PERS/PSERS/LEOFF II**  
**For the year ended December 31, 2022**

Total OPEB liability	2022	2021	2020	2019	2018
Service cost	\$ 164,571	\$ 159,006	\$ 111,645	\$ 107,870	\$ 70,437
Interest	46,686	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	(142,498)	(101,219)	(103,320)	(97,698)	(79,699)
Net change in total OPEB liability	68,759	581,089	53,569	437,842	34,134
Total OPEB liability beginning	2,337,565	1,756,476	1,702,907	1,265,065	1,230,931
Total OPEB liability ending	\$ 2,406,324	\$ 2,337,565	\$ 1,756,476	\$ 1,702,907	1,265,065
Covered employee payroll	\$ 126,609,264	\$ 122,327,791	\$ 117,648,550	\$ 116,593,318	\$ 104,066,054
Total OPEB liability as a percentage of covered employee payroll	1.90%	1.91%	1.49%	1.46%	1.22%

Note 1: 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%
2022	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.

Note 3: There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

**Clark County**  
**Required Supplementary Information - Other Post Employment Benefits - LEOFF I**  
**For the year ended December 31, 2022**

Total OPEB liability	2022	2021	2020	2019	2018
Interest	\$ 509,151	\$ 513,914	\$ 710,291	\$ 828,497	\$ 796,649
Changes of assumptions or other inputs	(2,441,107)	785,186	3,187,386	(1,026,269)	(749,769)
Benefit payments	(991,793)	(970,917)	(901,947)	(929,793)	(854,420)
Net change in total OPEB liability	<u>(2,923,749)</u>	<u>328,183</u>	<u>2,995,730</u>	<u>(1,127,565)</u>	<u>(807,540)</u>
Total OPEB liability beginning	24,065,031	23,736,848	20,741,118	21,868,683	22,676,223
Total OPEB liability ending	<u>\$ 21,141,282</u>	<u>\$ 24,065,031</u>	<u>\$ 23,736,848</u>	<u>\$ 20,741,118</u>	<u>\$ 21,868,683</u>
Covered employee payroll	<u>\$ -</u>	<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	N/A	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%
2022	3.54%

Note 2:

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

Note 3:

All participants in the plan are retired; therefore, there is no covered payroll or service cost.

Note 4:

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.



**Required Supplementary Information  
State Sponsored Pension Plans**

Schedule of Proportionate Share of the Net Pension Liability (Asset)  
PERS 1  
As of June 30  
Last Nine 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
2022	0.626723%	\$ 17,450,268	\$ 106,376,879	16.40%	76.56%
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 Nine 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
2022	0.740140%	\$ (27,450,172)	\$ 96,747,005	(28.37)%	106.73%
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 Nine 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
2022	1.322997%	\$ (945,943)	\$ 9,382,349	(10.08)%	105.96%
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 Nine 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 percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.094674%	\$ (2,715,831)	\$ (18,369,811)	\$ (21,085,642)	N/A	N/A	169.62%
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 Nine 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 percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.351196%	\$ (9,544,447)	\$ (6,182,685)	\$(15,727,132)	\$ 14,892,699	-64.09%	116.09%
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 Nine 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
2022	\$ 4,173,438	\$ (4,173,438)	-	\$ 110,864,799	3.76%
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 Nine 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
2022	\$ 6,372,048	\$ (6,372,048)	-	\$ 100,187,448	6.36%
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 Nine 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
2022	\$ 682,183	\$ (682,183)	-	\$ 10,444,458	6.53%
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 Nine 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
2022	\$ 799,242	\$ (799,242)	-	\$ 15,610,515	5.12%
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 Nine 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Roads - cycle 3 years	78.2%	77.1%	76.5%	N/A	82.0%
Roads - cycle 2 years	73.3%	74.0%	77.2%	N/A	77.3%

##### *Percentage of Infrastructure Assessed at Poor Condition \**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Roads - cycle 3 years	13.8%	14.3%	14.9%	N/A	10.8%
Roads - cycle 2 years	15.9%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Roads</b>					
Budgeted (needed)					\$ 19,420,048
	\$ 23,116,332	\$ 18,504,292	\$ 18,124,116	\$ 20,375,722	
Actual					\$ 18,076,949
	\$ 17,394,113	\$ 17,430,421	\$ 15,857,728	\$ 16,943,721	
% Spent	75.25%	94.20%	87.50%	83.16%	93.08%
Amount Unspent / (Overspent)	\$ 5,722,219	\$ 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Bridges	100.0%	98.7%	99.0%	97.4%
Stormwater Subsystem	99.0%	99.0%	98.8%	98.6%

*Percentage of Infrastructure  
Assessed at Poor Condition \**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Bridges	0.0%	1.3%	1.0%	2.6%
Stormwater Subsystem	1.0%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Stormwater Subsystem</b>				
Budgeted (needed)	\$ 2,299,000	\$ 2,218,600	\$ 2,140,000	\$ 1,902,504
Actual	\$ 1,974,177	\$ 1,667,031	\$ 1,802,562	\$ 1,795,586
% Spent	85.87%	75.14%	84.23%	94.38%
Amount Unspent / (Overspent)	\$ 324,823	\$ 551,569	\$ 337,438	\$ 106,918
<b>Bridges**</b>				
Budgeted (needed)	\$ 246,463	\$ 344,404	\$ 151,211	\$ 211,937
Actual	\$ 65,981	\$ 160,119	\$ 161,503	\$ 87,972
% Spent	26.77%	46.49%	106.81%	41.51%
Amount Unspent / (Overspent)	\$ 180,482	\$ 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 annually. 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 2022, 1,843 facilities were inspected, and there are 16 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, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
<b>Child Nutrition Cluster</b>								
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (Via WA Office of Superintendent of Public Instruction)	Summer Food Service Program for Children	10.559	20220702	7,092	-	7,092	-	
<b>Total Child Nutrition Cluster:</b>				<b>7,092</b>	<b>-</b>	<b>7,092</b>	<b>-</b>	
<b>Forest Service Schools and Roads Cluster</b>								
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF	Schools and Roads - Grants to States	10.665		-	1,756	1,756	-	
<b>Total Forest Service Schools and Roads Cluster:</b>				<b>-</b>	<b>1,756</b>	<b>1,756</b>	<b>-</b>	
<b>OFFICE OF LOCAL DEFENSE COMMUNITY COOPERATION, DEPT OF DEFENSE</b>								
	Community Investment	12.600		-	477,206	477,206	-	
<b>OFFICE OF LOCAL DEFENSE COMMUNITY COOPERATION, DEPT OF DEFENSE</b>								
	Community Investment	12.600		-	319,743	319,743	-	
<b>Total ALN 12.600:</b>				<b>-</b>	<b>796,949</b>	<b>796,949</b>	<b>-</b>	
<b>CDBG - Entitlement Grants Cluster</b>								
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218		-	994,597	994,597	644,171	
<b>ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF</b>								
	Community Development Block Grants/Entitlement Grants	14.218		-	219,149	219,149	99,524	3

The accompanying notes are an integral part of this schedule.

**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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 - Community Development Block Grants/Entitlement Grants	14.218	-	-	88,178	88,178	64,269	
<b>Total CDBG - Entitlement Grants Cluster:</b>				-	<b>1,301,924</b>	<b>1,301,924</b>	807,964	
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	20-6221C-148	11,917	-	11,917	-	
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	20-6221C-174	52,144	-	52,144	-	
<b>Total ALN 14.228:</b>				<b>64,061</b>	-	<b>64,061</b>	-	
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	3,200,701	-	3,200,701	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239		-	548,301	548,301	478,164	

The accompanying notes are an integral part of this schedule.

**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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	Home Investment Partnerships Program	14.239	-	-	182,510	182,510	182,275	3
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	COVID 19 - Home Investment Partnerships Program	14.239	-	-	8,885	8,885	-	
			<b>Total ALN 14.239:</b>	-	<b>739,696</b>	<b>739,696</b>	660,439	
U.S. FISH AND WILDLIFE SERVICE, INTERIOR, DEPARTMENT OF THE	Fish and Wildlife Management Assistance	15.608	-	-	76,678	76,678	-	
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	104,470	-	104,470	-	
OJP BUREAU OF JUSTICE ASSISTANCE, JUSTICE, DEPARTMENT OF	COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	-	-	26,341	26,341	-	
			<b>Total ALN 16.034:</b>	<b>104,470</b>	<b>26,341</b>	<b>130,811</b>	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce)	Crime Victim Assistance	16.575	F19-31219-421	111,592	-	111,592	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce)	Crime Victim Assistance	16.575	F20-31219-421	103,973	-	103,973	-	

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**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
			<b>Total ALN 16.575:</b>	<b>215,565</b>	<b>-</b>	<b>215,565</b>		
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via WA State Dept of Commerce)	Violence Against Women Formula Grants	16.588	F 19-31103-044	30,657	-	30,657	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	41,335	41,335	-	
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		-	34,519	34,519	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Second Chance Act Reentry Initiative	16.812		-	82,078	82,078	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via WA State Office of the Attorney General)	National Sexual Assault Kit Initiative	16.833	rU-22-07	9,679	-	9,679	-	
CRIMINAL DIVISION, JUSTICE, DEPARTMENT OF	Equitable Sharing Program	16.922		-	26,368	26,368	-	
<b>Highway Planning and Construction Cluster</b>								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	HSIP-000S (549)	46,065	-	46,065	-	

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**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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	BHZZ-Z903 (003)	27,581	-	27,581	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BHOS-2006 (077)	32,771	-	32,771	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPUL-4233 (001)	166,785	-	166,785	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	CM-9906(057)	214,215	-	214,215	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPR-06H1 (001)	64,797	-	64,797	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPUL-4247 (002)	139,331	-	139,331	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPUL-4205 (001)	81,334	-	81,334	-	

The accompanying notes are an integral part of this schedule.



**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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	CM-9906(053)	1,687	-	1,687	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPUL-4410 (004)	5,833,555	-	5,833,555	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	NHPP-4392 (016)	62,683	-	62,683	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	TAP-9906(061)	38,456	-	38,456	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	CM-9906(060)	3,379	-	3,379	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	STPUL-4247 (003)	25,947	-	25,947	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	NHPP-4347 (006)	9,783	-	9,783	-	

The accompanying notes are an integral part of this schedule.

**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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	HSIP-000S (640)	18,872	-	18,872	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BHS-F067(006)	4,824	-	4,824	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BHS-Z906(004)	6,845	-	6,845	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	BHOS-2006 (079)	4,741	-	4,741	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Highway Planning and Construction	20.205	CRRSAA-9906 (063)	620	-	620	-	
<b>Total ALN 20.205:</b>				<b>6,784,271</b>	<b>-</b>	<b>6,784,271</b>	<b>-</b>	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Dept of Transportation)	Federal Lands Access Program	20.224	FLAP-2006 (081)	397	-	397	-	
<b>Total Highway Planning and Construction Cluster:</b>				<b>6,784,668</b>	<b>-</b>	<b>6,784,668</b>	<b>-</b>	
<b>Highway Safety Cluster</b>								

The accompanying notes are an integral part of this schedule.

**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	2022-4448-Region 6	6,280	-	6,280	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	2023-AG-4795	5,271	-	5,271	-	
			<b>Total ALN 20.600:</b>	<b>11,551</b>	<b>-</b>	<b>11,551</b>	<b>-</b>	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	National Priority Safety Programs	20.616	2022-4587-EHM	7,795	-	7,795	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	National Priority Safety Programs	20.616	2023-AG-4672-EHM	13,497	-	13,497	-	
			<b>Total ALN 20.616:</b>	<b>21,292</b>	<b>-</b>	<b>21,292</b>	<b>-</b>	
			<b>Total Highway Safety Cluster:</b>	<b>32,843</b>	<b>-</b>	<b>32,843</b>	<b>-</b>	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - Coronavirus Relief Fund	21.019		-	50,000	50,000	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Dept of Commerce)	COVID 19 - Emergency Rental Assistance Program	21.023	21-4616C-105	1,298,964	-	1,298,964	1,245,489	

The accompanying notes are an integral part of this schedule.

**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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 - Emergency Rental Assistance Program	21.023	21-4618C-105	17,500,576	-	17,500,576	17,095,440	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - Emergency Rental Assistance Program	21.023		-	1,813,823	1,813,823	1,765,102	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - Emergency Rental Assistance Program	21.023		-	9,083,581	9,083,581	8,817,758	
		<b>Total ALN 21.023:</b>		<b>18,799,540</b>	<b>10,897,404</b>	<b>29,696,944</b>	<b>28,923,789</b>	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Dept of Commerce)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	21-4619C-105	77,794	-	77,794	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		-	27,355,991	27,355,991	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Department of Commerce)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	21-4618C-105	617,305	-	617,305	617,305	
		<b>Total ALN 21.027:</b>		<b>695,099</b>	<b>27,355,991</b>	<b>28,051,090</b>	<b>617,305</b>	
ENERGY, DEPARTMENT OF, ENERGY, DEPARTMENT OF (via WA State Dept of Commerce)	Weatherization Assistance for Low- Income Persons	81.042	F21-53103-406	219,438	-	219,438	-	
ENERGY, DEPARTMENT OF, ENERGY, DEPARTMENT OF (via WA State Dept of Commerce)	Weatherization Assistance for Low- Income Persons	81.042	F22-53103-406	157,468	-	157,468	-	
		<b>Total ALN 81.042:</b>		<b>376,906</b>	<b>-</b>	<b>376,906</b>	<b>-</b>	

The accompanying notes are an integral part of this schedule.

**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Department of Energy/BPA (via WA State Dept of Commerce)	Bonneville Power Administration	81.U01	F21-53104-406	209,521	-	209,521	-	
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via ESD 112)	COVID 19 - Education Stabilization Fund	84.425	84.425U, GR0000593	40,510	-	40,510	-	
EDUCATION, DEPARTMENT OF, EDUCATION, DEPARTMENT OF (via ESD 112)	COVID 19 - Education Stabilization Fund	84.425	84.425U, GR0000675	33,903	-	33,903	-	
			<b>Total ALN 84.425:</b>	<b>74,413</b>	<b>-</b>	<b>74,413</b>	<b>-</b>	
ELECTION ASSISTANCE COMMISSION, ELECTION ASSISTANCE COMMISSION (via WA State Office of Secretary of State)	2018 HAVA Election Security Grants	90.404	IG-6925	10,458	-	10,458	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Public Health Emergency Preparedness	93.069	NU90TP922043	561,056	-	561,056	-	
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Food and Drug Administration Research	93.103		-	5,000	5,000	-	
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Food and Drug Administration Research	93.103		-	1,880	1,880	-	

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**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FOOD AND DRUG ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Food and Drug Administration Research	93.103	-	-	5,419	5,419	-	
<b>Total ALN 93.103:</b>				-	<b>12,299</b>	<b>12,299</b>	-	
HEALTH RESOURCES AND SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Children, Youth and Families)	Maternal and Child Health Federal Consolidated Programs	93.110	U2ZMC46634- 01-00	9,412	-	9,412	-	
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	NU52PS910221	33,704	-	33,704	-	
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	45,656	-	45,656	-	
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	-	-	202,703	202,703	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Immunization Cooperative Agreements	93.268	NH23IP922619	102,672	-	102,672	-	

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**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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 - Immunization Cooperative Agreements	93.268	NH23IP922619	377,903	-	377,903	-	
			<b>Total ALN 93.268:</b>	<b>480,575</b>	<b>-</b>	<b>480,575</b>	<b>-</b>	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK00051 5	387,820	-	387,820	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CLH31006	585,311	-	585,311	-	
			<b>Total ALN 93.323:</b>	<b>973,131</b>	<b>-</b>	<b>973,131</b>	<b>-</b>	
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	80,245	-	80,245	-	

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**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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)	Temporary Assistance for Needy Families	93.558	2163-19704	6,175	-	6,175	-	
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	1,768,834	-	1,768,834	-	
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	52,711	-	52,711	-	
				<b>Total ALN 93.563:</b>	<b>-</b>	<b>1,821,545</b>	<b>-</b>	
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	2,367,678	-	2,367,678	2,169,984	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	Low-Income Home Energy Assistance	93.568	21-32607-058	327,605	-	327,605	310,596	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	Low-Income Home Energy Assistance	93.568	22-32607-058	76,589	-	76,589	70,164	

The accompanying notes are an integral part of this schedule.



**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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)	Low-Income Home Energy Assistance	93.568	F21-32606-058	2,782,928	-	2,782,928	2,581,275	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	Low-Income Home Energy Assistance	93.568	F22-32606-058	25,706	-	25,706	-	
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	287,156	-	287,156	-	
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	126,317	-	126,317	-	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Dept of Commerce)	Low-Income Home Energy Assistance	93.568	F21-53101-406	377,899	-	377,899	-	
<b>Total ALN 93.568:</b>				<b>6,371,878</b>	<b>-</b>	<b>6,371,878</b>	<b>5,132,018</b>	
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	200,758	-	200,758	146,018	

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**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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)	Community Services Block Grant	93.569	F22-32101-006	293,917	-	293,917	216,882	
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	F20-3210C-006	175,822	-	175,822	162,084	
<b>Total ALN 93.569:</b>				<b>670,497</b>	<b>-</b>	<b>670,497</b>	<b>524,984</b>	
ADMINISTRATION FOR CHILDREN AND FAMILIES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Administrative Office of the Courts)	COVID 19 - State Court Improvement Program	93.586	N/A	6,265	-	6,265	-	
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	50,300	-	50,300	-	
<b>Medicaid Cluster</b>								
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K2740	34,704	-	34,704	-	

The accompanying notes are an integral part of this schedule.

**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K3062	275,156	-	275,156	-	
		<b>Total Medicaid Cluster:</b>		<b>309,860</b>	<b>-</b>	<b>309,860</b>	<b>-</b>	
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	486,444	-	486,444	-	
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	416,844	-	416,844	-	
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	5,000	-	5,000	-	
		<b>Total ALN 93.870:</b>		<b>421,844</b>	<b>-</b>	<b>421,844</b>	<b>-</b>	
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	99,089	-	99,089	-	

The accompanying notes are an integral part of this schedule.

**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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)	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	712,988	-	712,988	-	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	COVID 19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	HCA K5482	200,000	-	200,000	-	
				<b>Total ALN 93.959:</b>	-	<b>912,988</b>	-	
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	398,170	-	398,170	-	
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	B04MC45251	343,449	-	343,449	-	
EXECUTIVE OFFICE OF THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT	High Intensity Drug Trafficking Areas Program	95.001		-	90,679	90,679	-	

The accompanying notes are an integral part of this schedule.

**Clark County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
EXECUTIVE OFFICE OF THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT	High Intensity Drug Trafficking Areas Program	95.001	-	-	47,988	47,988	-	
EXECUTIVE OFFICE OF THE PRESIDENT, EXECUTIVE OFFICE OF THE PRESIDENT	High Intensity Drug Trafficking Areas Program	95.001	-	-	11,671	11,671	-	
			<b>Total ALN 95.001:</b>	-	<b>150,338</b>	<b>150,338</b>	-	
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF (via WA State Park & Recreation)	Boating Safety Financial Assistance	97.012	MLE 123-112	15,930	-	15,930	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Dept of Health)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	934V0200	522,194	-	522,194	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Dept)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D16-733	268,916	-	268,916	-	
			<b>Total ALN 97.036:</b>	<b>791,110</b>	-	<b>791,110</b>	-	
			<b>Total Federal Awards Expended:</b>	<b>45,592,992</b>	<b>41,796,379</b>	<b>87,389,371</b>	<b>36,666,499</b>	

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, 2022

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 \$105,904 and is presented in this schedule. The amount of principal and interest received in loan repayments for the year was \$635,843.

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, 2022 through December 31, 2022

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).

<b>Finding ref number:</b> 2022-001	<b>Finding caption:</b> The County’s internal controls were inadequate for ensuring accurate financial reporting of capital contributions.
<b>Name, address, and telephone of County contact person:</b> Mitchell Kelly, Reporting and Analysis Manager P.O. Box 5000 Vancouver, WA 98665 (564) 397 - 4706	
<b>Corrective action the auditee plans to take in response to the finding:</b> <i>The County has initiated conversations with departments that are involved in land acquisitions and record them in the land tracking system. The County has identified key individuals that should be knowledgeable of land acquisitions transactions to ensure land is adequately reviewed and appropriately valued. The auditor’s office will continue to work with these key individuals within these departments including Parks, Public Works, GIS, and the Assessor’s office to ensure the processes in place are effective in tracking land purchases. In addition, the auditor’s office has made a step on our year end task list to inquire of Public Works and Parks for transactions that are identified as potentially donated assets and confirm with the department.</i>	
<b>Anticipated date to complete the corrective action:</b> October 31, 2023	

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