



POPULAR ANNUAL FINANCIAL REPORT (PAFR)

YEAR ENDING DECEMBER 31, 2022
CLARK COUNTY, WASHINGTON

January 1 - December 31, 2022

POPULAR ANNUAL FINANCIAL REPORT

We are happy to report the Clark County 2022 Popular Annual Financial Report (PAFR). This report is the result of County efforts to further connect with our community.

The Clark County 2022 PAFR is designed to display information on the County's fiscal health. It is a short-form report based largely on the Clark County Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. This PAFR provides summarized County financial information derived from the Annual Financial Report and is not designed to include all financial disclosures required by Generally Accepted Accounting Principles. To meet the goal of simplicity, the PAFR presentation omits the financial activity of the Clark County Public Facilities District which is presented in the financial statement as a component unit. Similarly, not all County funds are presented here. The PAFR concentrates on reporting Governmental and Business-Type Activities and the County's General Fund, as well as a summary of the county response to the coronavirus pandemic. For the 2022 audited financial statements, independent auditor's opinion, detailed notes to the financial statements, statistical information, and other supplementary information, refer to the Clark County 2022 Annual Comprehensive Financial Report available on the Clark County website (www.clark.wa.gov).

Our hope is that you as the user will find it easier to engage with the County through use of this PAFR. We welcome your feedback and encourage your continued involvement.

Kathleen Otto
County Manager

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Auditor's Office

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ABOUT CLARK COUNTY

With its great natural beauty, the area known today as Clark County, has always attracted people and settlements. Framed by the scenic Cascade Range to the east and majestic Columbia River to the south and west, the area was both a gathering place for native tribes and the site of the first non-native settlement in the Pacific Northwest. It was the first county in Washington, named after William Clark of the Lewis and Clark Expedition. It is the fifth-most populous and the southernmost county in Washington state. Clark County is also one of the fastest growing regions in the state with its county seat and largest city, Vancouver, located just north of Portland, Oregon.



This confluence creates a unique opportunity for a high quality of life for residents and a thriving business climate. Clark County is also resilient. As we continue to recovery from the COVID-19 pandemic, the county is poised to build off our *proud past* and work to realize a *promising future* for our county and its residents.

Top 5 Employers

PeaceHealth	4,482
Cowlitz Tribe Ilani Casino	3,000*
Vancouver Public Schools	2,957
Evergreen Public Schools	2,203
Fisher Investments	1,782

*Estimated

Government by the Numbers



5

County Councilors



\$723.3M

2022 Total Budget



1,800

2022 Budgeted FTE

CURRENT ELECTED OFFICIALS



Karen Dill Bowerman

Council Chair/Councilor District 3



Glen Yung

Councilor District 1



Michelle Belkot

Councilor District 2



Gary Medvigy

Councilor District 4



Sue Marshall

Councilor District 5



Peter Van Nortwick

Assessor



Greg Kimsey

Auditor



Scott Weber

Clerk



Tony Golik

Prosecuting Attorney



John Horch

Sheriff



Alisha Topper

Treasurer

STATEMENT OF NET POSITION

Statement of Net Position (In Millions of Dollars)	Governmental Activities			Business-type Activities			Total		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Assets									
Cash and Cash Equivalents	266.77	372.88	433.14	18.42	19.88	18.80	285.19	392.76	451.93
Capital Assets	1,325.66	1,350.98	1,395.31	118.69	120.46	126.81	1,444.35	1,471.44	1,522.12
Other Assets	80.60	200.13	143.41	0.54	0.86	1.88	81.14	201.00	145.30
Total Assets	1,673.03	1,924.00	1,971.86	137.65	141.21	147.49	1,810.68	2,065.21	2,119.34
Deferred Outflows of Resources	17.03	16.00	36.89	0.35	0.28	0.61	17.38	16.28	37.50
Refunding, pensions, and OPEB	17.03	16.00	36.89	0.35	0.28	0.61	17.38	16.28	37.50
Liabilities									
Long Term Liabilities	172.89	146.65	144.11	2.64	1.30	0.78	175.53	147.95	144.89
Other Liabilities	41.06	89.65	111.85	0.87	0.71	1.19	41.93	90.36	113.04
Total Liabilities	213.95	236.30	255.97	3.51	2.00	1.97	217.46	238.31	257.94
Deferred Inflows of Resources	13.39	118.59	55.17	0.40	2.40	0.62	13.79	121.00	55.79
Pensions and OPEB	13.39	118.59	55.17	0.40	2.40	0.62	13.79	121.00	55.79
Net Position									
Net investment in Capital Assets	1,241.78	1,282.22	1,328.35	118.69	120.46	126.81	1,360.47	1,402.68	1,455.16
Restricted	181.11	297.84	258.54	-	-	0.58	181.11	297.84	259.12
Unrestricted	39.84	5.50	110.72	15.41	16.11	18.12	55.25	21.60	128.83
Total Net Position	1,462.73	1,585.56	1,697.61	134.10	136.56	145.50	1,596.83	1,722.12	1,843.12

The Statement of Net Position shows the overall financial picture of Clark County. It represents an aggregate of the county's financial activities broken into two categories: governmental and business-type. Governmental activities are mainly supported by taxes and intergovernmental revenue, such as grants, and include many of the basic services the county provides including general government, public safety and public health. Business-type activities are mainly supported by user fees and charges for services and include activities such as wastewater treatment and the Tri-Mountain Golf Course.

In 2022, the county's net position increased by over \$121 million. This represented an overall increase of 7.0%, with the greatest change coming from holdings and other assets. An

increase from increased cash and equivalent or decrease in the county's net position can be a sign the financial health of the county is improving or worsening. Over the last three years, the county's financial position including general government, public safety has continued to strengthen. One notable change has been the decrease in long term liabilities and the increase in cash and cash equivalents. In 2022 the county implemented a new reporting requirement that

recognizes subscription based technology agreements the county has with external vendors. As you read through the rest of this report, you will see more about what has contributed to the county's financial position in recent years.

7.0 %

**Net Position
Increase from 2021**

CHANGES IN NET POSITION

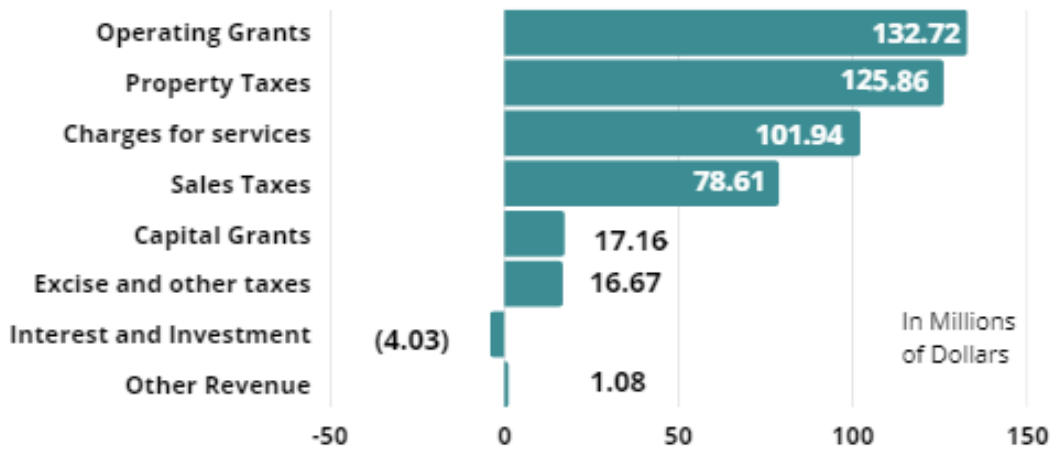
The Changes in Net Position shows changes in Clark County's net position by revenue source and major activities. An increase in revenue means the county brought in more money while a decrease means the county brought in less. An increase in expenses means the county spent more on operations and services while a decrease means the county had fewer expenses and spent less. The county saw an overall increase in revenues and an increase in expenditures in 2022. The revenues outpaced expenditures, leading to an overall increase in the county's net position of over \$124 million in 2022. Much of the increase in revenue was due to the continued federal funding to help the county recover from the Covid-19 pandemic which led to higher than expected spending to counter the virus and its impacts. More information about how the county responded to the pandemic can be seen later in this report or by visiting clark.wa.gov/covid19. Despite the financial strains imposed by the pandemic, the county maintained its financial health and continued to support individuals, families and businesses to help our community weather the pandemic.

Net Position Bolstered by Federal Funding to Recover from the COVID-19 Pandemic

Changes in Net Position (In Millions of Dollars)	Governmental Activities			Business-type Activities			Total		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Revenues									
Program Revenues	229.30	224.29	251.82	22.26	19.65	19.17	251.56	243.94	270.99
General Revenues	209.52	221.08	217.34	0.39	(0.28)	(0.38)	209.91	220.79	216.96
Total Revenues	438.82	445.37	469.16	22.65	19.36	18.795	461.47	464.73	487.96
Expenses									
General government	89.87	75.81	95.74	-	-	-	89.87	75.81	95.74
Public Safety	85.05	74.61	84.66	-	-	-	85.05	74.61	84.66
Transportation	41.81	38.34	39.72	-	-	-	41.81	38.34	39.72
Natural and Economic Environment	48.52	72.58	75.85	-	-	-	48.52	72.58	75.85
Social Services	33.01	42.49	39.01	-	-	-	33.01	42.49	39.01
Culture and Recreation	20.61	14.12	23.24	-	-	-	20.61	14.12	23.24
Interest on long term debt	2.72	2.69	2.53	-	-	-	2.72	2.69	2.53
Business Type Activities	-	-	-	14.87	14.28	13.28	14.87	14.28	13.28
Total Expenses	321.59	320.64	360.75	14.87	14.28	13.28	336.46	334.92	374.03
Transfers	0.37	0.50	0.84	(0.37)	(0.50)	(0.84)	-	0.01	-
	-	-	-	-	-	-	-	-	-
Change in net position	117.60	125.23	109.25	7.41	4.59	4.68	125.01	129.82	113.93
Net position, Beginning of year	1,344.30	1,462.73	1,585.56	126.62	134.10	138.82	1,470.92	1,596.83	1,724.38
Prior period adjustment	0.83	(2.40)	2.80	0.07	0.13	2.71	0.90	(2.27)	5.51
Special item	-	-	-	-	-	(0.70)	-	-	(0.70)
Net Position Begin of Year (Restated)	1,345.13	1,460.33	1,588.36	126.69	134.23	140.83	1,471.82	1,594.56	1,729.19
Net position, End of year	1,462.73	1,585.56	1,697.61	134.10	138.82	145.51	1,596.83	1,724.38	1,843.12

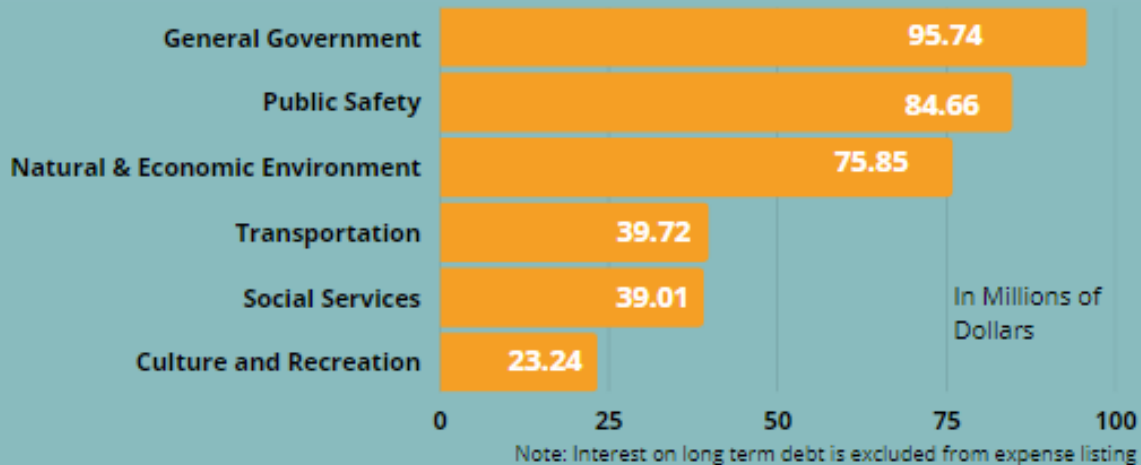
GOVERNMENTAL ACTIVITIES: REVENUES BY SOURCE

The governmental revenues for the county in 2022 totaled over \$470 million. The largest source of revenue was operating grants and contributions, totaling over \$132 million. The second largest category of revenue was property taxes representing over \$125 million. While property taxes are consistently the county's largest source of revenue, operating grants were higher in 2022, largely due to increases in federal funding to address the response to COVID-19 pandemic.



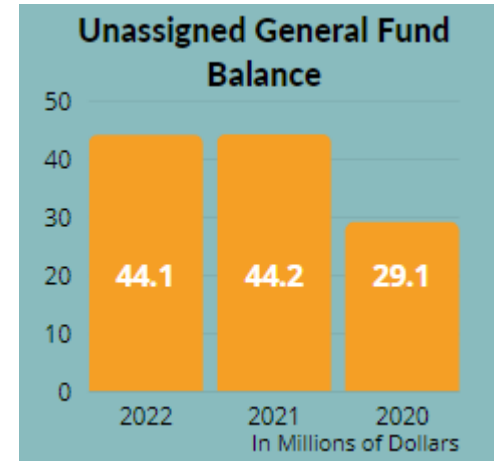
EXPENSES BY FUNCTION

The governmental activity expenses for the county in 2022 totaled over \$360 million. The largest category of expense was for General Government, which includes Prosecuting Attorney, District and Superior Court and other of the County's foundational support functions. This is followed by Public Safety which includes the Sheriff's office. Combine these two categories represent over 50% of expenses of governmental activities.



THE GENERAL FUND

Governments use funds to track different types of activities and provide transparency that the county using public resources lawfully. The general fund is the main operating fund for Clark County. Since it is the main fund the county uses to track activities, it is where most of the county's tax revenue and operating expenditures are located. At the end of the year the General fund has an unassigned fund balance, after all revenues and expenses have been recorded and assignments of fund balance has been made. The unassigned fund balance remained consistent in 2022.



The largest sources of revenue for the general fund are property taxes (\$75.0 million), sales and use taxes (\$59.0 million) and charges for goods and services (\$26.9 million). The largest categories of spending are public safety (\$82.2 million), which includes the Sheriff, Corrections and Juvenile departments, and general government (\$74.0 million), which includes the court operations and core operational departments of the county. The general fund had an unassigned fund balance at the end of 2022 of \$44.1 million. This balance provides a financial reserve for ongoing operations, unexpected revenue shortfalls or unexpected expenses beyond what is planned in the county's annual budget process.



Paul Newman

PROPERTY TAXES

The County Treasurer collects \$796 million dollars annually in property-related taxes. Only about 8% of the money collected by the Treasurer is used to fund services provided directly by Clark County. The rest is dispersed to fund other government services including road improvements, fire districts, school districts, port districts and cities.



The majority of revenue from property taxes comes from the property tax levied on real property, which includes land and buildings. A smaller portion comes from personal property which is able to be moved from one location to another and typically includes most machinery, equipment, furniture and fixtures associated with commercial, industrial, or agricultural enterprises. Household goods and personal effects are exempt from personal property tax in Washington state. The specific property tax rate varies depending on the location of the property in the county and the taxing jurisdictions but varies between \$8.4887 and \$12.4520 per 1,000 in assessed value.

Where Property Tax Dollars Go



AMERICAN RESCUE PLAN FUNDING

Available fund balance (millions)		Committed	Spent	Remaining
Total Grant funds to be received	94.80			
Facilities Space Planning		17.00	0.00	17.00
Housing the Unhoused		15.50	3.35	12.15
Information Technology		10.03	4.17	5.86
Public Health Response		8.47	0.65	7.81
Broadband Expansion		4.65	0.00	4.65
Employee Retention		3.30	2.89	0.41
North Country EMS Facility		2.50	0.00	2.50
Backlog of PA and Indigent Defense		2.63	1.43	1.19
Improvements to Courts		2.16	0.87	1.29
Community Grant Program		2.00	2.00	0.00
Delinquency Property Taxes		0.90	0.13	0.77
Enhanced Cleaning Services		0.49	0.24	0.25
Other County Departments		0.54	0.12	0.43
Grant Administration		0.34	0.24	0.10
Revenue Recovery		14.90	14.88	0.02
Total		85.39	30.97	54.42
Uncommitted Grant	9.41			



In 2021 the Federal Government approved the American Rescue Plan Act and allocated funding to Clark County for the impacts of the COVID-19 pandemic. In 2021 the county, received over \$42.5 million of this funding. During 2021 and 2022 the County identified projects that this funding could support in the current year and during the period of availability of the grant. This included providing economic support to those most in need in our community and continuing essential government operations,

public health measures included covid-19 testing, increased disinfecting of public areas and personal protective equipment (PPE).

The county's response is still on going and in 2022 has transitioned to include community safety projects, and projects to help the unhoused and other community support. In 2023 the County plans to continue use the funding provided by the American Rescue Plan to assist the County and the community continue to recover from the COVID-19 pandemic.

CAPITAL PROJECTS AND LONG-TERM DEBT

The county has a variety of capital assets it maintains to provide for county residents. Capital assets include tangible goods, such as land and equipment, and intangible goods, such as software, that have initial useful life of more than two years. The county currently has over \$1.5 billion in capital assets including: land, roads, buildings, software and equipment. The county spent \$62.6 million on capital road projects in 2022 including paving 145 lane miles of road.

One of the most notable capital projects the county recently completed is improvement to NE Highway 99 from NE 99th Street to 117th Street. To fund this and other road projects, the county partially relies on a dedicated county road fund which is primarily funded by property tax revenue.

For larger capital projects, the county raises money by issuing bonds and pays back these bonds over time with interest. The interest rate the county has to pay is determined in part by the county's bond rating. In 2016, Clark County had its non-voted bond rating upgraded by Moody's Investor Services to Aa1, the second highest rating available. The rating was assigned again in 2022. Moody's assigns the Aa1 rating to entities that demonstrate superior financial strength and the ability to meet their debt obligations in a timely manner. Non-voted bonds are issued for various capital improvements and land acquisitions for open space conservation that do not require voter approval.



\$127.42
2022 Total Debt
Per Capita

Aa1
Moody's Non-
voted Bond Rating



Clark County Auditor's Office – Financial Services

Clark County Treasurer's Office

clark.wa.gov/auditor



**THIS DOCUMENT CREATED AS PART OF THE
ELGL/GFOA PAFR FELLOWSHIP PROGRAM**