

# Financial Trends Monitoring Report

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Clark County, Washington  
2019

Prepared by  
Clark County Auditor's Office  
Financial Services Division



**proud past, promising future**

**CLARK COUNTY**  
WASHINGTON



For other formats, contact the Clark County ADA Office: **Voice** (360) 397-2000;  
**Relay** 711 or (800) 833-6388; **Fax** (360) 397-6165; **E-mail** ADA@clark.wa.gov.

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# 2019 Financial Trends Monitoring Report

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**AUDITOR  
GREG KIMSEY**

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December 16, 2020

Honorable Eileen Quiring O'Brien, Chair  
Clark County Council  
PO Box 5000  
Vancouver, Washington

RE: Clark County Financial Trends Monitoring Report 2019

Dear Councilor O'Brien,

The following represents our report of financial trends for Clark County for the ten-year period ended December 31, 2019.

## INTRODUCTION

This report has been compiled in accordance with the provisions of the Clark County Fiscal Policy Plan, and includes trends of key financial and economic indicators for the government and community of Clark County, Washington.

Information for the report is derived from various County financial records and reports, including the Comprehensive Annual Financial Report (CAFR), and from various other local and state governments and agencies.

## FISCAL POLICIES

The report presents the 17 fiscal policies included in the Clark County Fiscal Policy Plan. These policies provide guidelines for the prudent management of the County's finances. These guidelines are not absolute rules, but variation from them should be carefully considered and of limited duration only. We have provided a brief narrative following each policy statement that represents our opinion of the degree to which the County is in compliance with the policy.

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### **FINANCIAL SERVICES**

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## FINANCIAL INDICATORS

The report presents a combination of 29 financial measures and demographic indicators that can help highlight issues and trends. The analysis of each indicator gives guidance on what trends may mean in terms of Clark County's fiscal health.

It is important to understand the data behind the indicators to be able to recognize the meaning of any particular trend and if the current result is cause for concern. Therefore, formulas used in calculations and data sources are identified for each of the indicators. The indicators are divided into five categories: Revenues, Expenditures, Operating Position, Debt Structure, and Economic Base.

Regular analysis can highlight potential fiscal problems and provide the necessary information required for timely corrective action. By taking action to address weaknesses and to strengthen fiscal health, the county can help ensure that resources are available to fund the level of services required by the taxpayers.

## RATING STRUCTURE

There is considerable variation in the way that local governments manage their finances. The variations make development of benchmarks difficult for many indicators. Ratings for these indicators were influenced by the model for evaluating financial condition that was developed by the International City/County Management Association in 2003.

The analysis of these indicators includes a "Warning Trend," which helps to focus on conditions that currently exist or that should be avoided. Staff has evaluated each indicator and assigned a rating according to the following rating scheme of "positive," "negative," or "mixed", based on the following:



Green – the trend is positive and favorable.



Yellow – the trend is mixed and uncertain. The indicator should be watched carefully because it may move in a direction that could have a negative impact on the county's financial health.



Red – the warning trend is negative and has been observed. More information should be gathered and if possible, corrective action should be taken.

A summary of the 29 indicators reveals the following:

- Comparing the 29 indicators in 2019 to 2016, there are twenty-five maintained ratings, one improved rating, and three declined ratings. There are no negative ratings.
- In the Economic Base category, all the indicators remained at the level reported in 2016, as a result of the stable economy.

The sixteen indicators receiving “positive” ratings in 2019 are discussed by category below:

- **Revenue:**
  - Tax Revenue Per Capita – Adjusted for inflation and population, tax revenue per capita has been steady throughout this ten-year period, in the range of \$373-387. Unadjusted tax revenue per capita has grown from \$304 in 2010 to \$379 in 2019.
  - Elastic Revenue as a Percent of Total Revenue – The increase in elastic revenues as a percentage of total operating revenues beginning in 2010 follows the recovering economy compared to more stable operating revenues for the County, peaking in 2017. There was a minor pullback in 2018 and no significant change in 2019.
- **Expenditures:**
  - Total Governmental Fund Expenditures Per Capita – Adjusting for CPI, governmental fund expenditures per capita decreased from \$849 in 2010 to \$665 in 2019.
  - General Fund Expenditures per Capita – Per capita expenditures, adjusted for inflation, have decreased slightly from 2010 through 2019, with the exception of a slight increase in 2014. The increase in 2014 is affected by moving operational activities of the Juvenile and Jail Commissary Funds into the General Fund, as these two funds no longer qualified as Special Revenue Funds under Government Accounting Standards Board Statement # 54.
  - Employees Per Capita – There has been a consistent decrease of FTEs per capita, nearly each year, since 2010.
- **Operating Position:**
  - Annual General Fund Surplus or Deficit – the General Fund has had an annual surplus (of revenues and other sources over expenditures and other uses) since 2010, except for 2014, where the deficit was due to conscious decisions to transfer subsidies to other funds and to fund specific projects.
  - Unassigned Fund Balance - General Fund and Permanent Reserve – Increased from \$17.5 million in 2010 to \$30.1 million in 2015, with some minor pullback to \$28.1 million by 2019. Each year was in a positive position.
  - Fund Liquidity General Fund and Road Fund – Liquid assets in the General Fund increased from \$17.8 million in 2010 to \$31.8 million in 2019. General Fund liquid assets were up since the beginning of the 10-year period. Liquid assets in the Road fund decreased from \$31.6 million in 2011 to \$13.5 million in 2019, as previously delayed projects in the 6-year Transportation Improvement Plan got underway.
- **Debt:**
  - Long-Term Debt –The amount of long-term debt has decreased by \$46.4 million since 2010, while the long-term debt per capita decreased by \$138 over the same period.

- Debt Service Costs – Costs are nearly the same in 2019 versus 2018. Costs have averaged 4.4% of net operating revenues since 2010, which is below the 10% guideline in the County Fiscal Policies.
- **Economic Base:**
  - Population of Cities and County – Population in unincorporated areas of Clark County has grown 11.6% since 2010 while the total county population has grown 14.8%.
  - Median Household Income – The adjusted median household income had been increasing since 2012 to 2018 for a total increase per household of \$12,000.
  - Assessed Property Values – After a five year decrease in assessed property values, from 2007 (\$48,350 million) to 2012 (\$35,673 million), values increased steadily from that point through 2019 to \$69,261 million.
  - Residential and Commercial Development – The value of both residential and commercial development peaked in 2018 at \$557.9 million and \$232.7 million, respectively, with a net decrease overall of 18% in 2019 over 2018.
  - Community Employment – Although slightly higher than the unemployment rate for Washington State and the Portland Metro area, Clark County’s unemployment rate is the lowest it has been since 2010. The unemployment rate for the county has decreased each year since 2010 and is at 4.7% as of 2019.
  - Taxable Sales of Goods and Services – Taxable sales in unincorporated Clark County have shown increases each year since 2010 and have grown by \$1.2 billion overall.

## SUMMARY

This report reflects the continuing trend of economic growth since the Great Recession through 2016, with some moderation in years 2017-2019 depending upon the particular trend analyzed. In 2011, there was a slight decline in ratings due to the continued lack of jobs added as the economy recovered. In 2012, there was a net improvement in seven of the rated indicators. With no negative indicators in 2019 or 2018, there has been significant progress since 2012 when there were seven trends rated negative.

In March 2020, Clark County was negatively impacted by the COVID-19 pandemic. We will not know the full impact of this until after the year-end close in December 2020.

Sincerely,



Greg Kimsey  
Clark County Auditor



**CLARK COUNTY FISCAL POLICIES**

As of December 31, 2019

**Background**

The Fiscal Policy Plan was first adopted by the Board of County Commissioners in 1982 and amended on August 2, 1994. Its purpose is to assist decision-makers by providing information and guidelines that cumulatively should ensure that Clark County continues to pursue a financially prudent course.

In this document we quote the fiscal policies (in italics) and give a brief description of County practices that relate to that policy.

**Policies**Policy 1

*The County shall calculate and compile financial indicators, consistent with this report, for each year. Any indicator showing a negative trend shall be analyzed to determine why the change has occurred. The County Manager is authorized to add or delete financial indicators to reflect the needs of the County and the availability of relevant information.*

The Financial Trends Monitoring Report has been updated for the current year.

Policy 2

*Clark County shall annually forecast revenues and expenditures for the next three to five years for the General Fund and Road Fund. Forecasts should reflect the County's multi-year capital improvement plans. Other funds should be forecast to the extent that they are material and can be reasonably predicted.*

As part of the annual budget process, the Budget Office forecasts the General Fund in detail and major changes to the baseline budget for an additional four years. Public Works staff includes expenditure forecasts for the Road Fund as part of the Six-Year Transportation Improvement Plan.

Policy 3

*Clark County shall proactively seek citizen involvement in evaluations of services and service levels.*

Clark County's budget process furnishes opportunities for citizen involvement in the evaluation of programs and the allocation of resources. Budget meeting notices are published in local newspapers and public hearings are held, at which time the County Council seeks input from staff and citizens, as it considers and ultimately adopts the budget. The County also has numerous advisory boards that provide citizen evaluation and advice on a continuous basis over many program areas.

Policy 4

*Clark County will accept State and Federal money to fund programs mandated by law; or to fund programs established as a local priority after taking local contributions into account.*

The County Council approves grant-funded contracts. Most local matching for grant-funded programs relate to infrastructure needs that are included in the County's Comprehensive Plan and the Six-Year Transportation Improvement Plan.

Policy 5

*Clark County will set charges for each enterprise fund (sewer, solid waste, etc.) at a level which supports the direct and overhead costs of the enterprise, primarily by fees, grants, or other sources consistent with the direction of the County Council.*

Net position for enterprise funds was positive at the end of 2019. The unrestricted net position also was positive, or zero, for each enterprise funds at the end of 2019.

Policy 6

*Clark County will pursue a fair and equitable process for the collection of property tax and all other revenues, with the goal of minimizing delinquencies.*

At December 31, 2019, uncollected delinquent property tax amounted to \$1.9 million (\$1.1 million from 2019 and the remainder from levies for all prior years). By year-end of the first year of levy, 99.0% of the 2019 tax levy was collected. During the last 10 years, the percent collected during the first year of levy has never been less than 96.8% and the percent collected at the end of four collection years has never been less than 99.9%.

Policy 7

*Clark County management is required to comply with budgetary restrictions. The integrated Workday Human Capital Management and Financials ERP system is provided to help managers monitor and adhere to financial constraints.*

The Auditor's Office monitors compliance with budgetary restrictions and departments have access to a variety of monthly reports to assist managers in monitoring their budgets and controlling expenditures.

Policy 8

*Clark County will provide for adequate maintenance of capital facilities and equipment, and for their orderly replacement, if necessary.*

The County maintains two revolving funds that provide for maintenance, repair, and replacement of heavy equipment, vehicles, and personal computers. In addition, the County has adopted long-term major maintenance programs for facilities and parks, but has not yet established a program to fund significant system replacement or major facilities maintenance. The County's financial system was replaced in 2019. The latest building upgrades include energy conservation and alternative energy technology.

Policy 9

*Clark County shall establish reserve funds to pay for needs caused by unforeseen events. Reserves shall be held to address the following circumstances: 1) Catastrophic reserves, to provide limited emergency funds in the event of natural or manmade disasters; 2) Operational reserves, to provide additional funds for limited, unexpected service needs; 3) Liquidity reserves, to provide funds sufficient to insure smooth running of the County and pay current obligations; and 4) Capital reserves to facilitate the orderly replacement or acquisition of capital facilities and equipment. An amount equivalent to between 6% and 10% of the General Fund operating budget shall be held in a separate reserve. Individual fund managers shall maintain reserves to address operational and liquidity needs for the funds under their control.*

The County has a Permanent Reserve Fund to provide for operational and catastrophic needs. At December 31, 2019, the balance in the fund amounted to \$8.7 million or 5.0% of the General Fund operating budget. Following the application of GASB 54, in 2011, the County reports the General Fund and Permanent Reserve as one fiscal entity. Combined, the unassigned fund balance of the

two is \$28.1 million, which exceeds the risk-based fund balance policy target for General Fund fund balance. Liquidity reserves are established in each fund. The County has established capital reserves in the internal service funds for vehicle and computer equipment replacements financed by charges to user departments.

Policy 10

*Capital improvements must be designed to provide sufficient benefits for the expected cost. Benefits can be economic or social values expressed in the capital improvement plan, or can be based on a cost benefit analysis.*

Most capital expenditures are reflected in the County's Comprehensive Plan and the Six-Year Transportation Improvement Plan. The economic and social values of these projects are expressed in these plans. Additional evaluation of capital improvements is performed at the departmental level and examined by the Finance Team. Formal cost/benefit analysis is not performed in all cases.

Policy 11

*Clark County shall develop and adopt multi-year capital improvement plans to guide current and future major capital facility and equipment expenditures.*

The capital facilities element of the Comprehensive Plan addresses infrastructure and utility needs and is augmented by more detailed plans such as the Six-Year Transportation Improvement Plan. The County also has open space acquisition programs supporting the expenditure of Conservation Futures funds.

The County has formed a Finance Team made up of senior managers to review capital spending plans. Capital spending plans should comply with the Board of County Councilors' priorities: 1. Honor existing obligations (debt service), 2. Preserve existing assets, 3. Acquire new assets based on greatest need and the ability to maintain them.

Policy 12

*Clark County will develop investment strategies to maximize return on investments while protecting the public's assets.*

The County Treasurer's Office performs various cash flow analyses to determine size and duration of investments. The Treasurer's Office established and implemented a local government investment pool to maximize buying power and flexibility. Investment policies and standards have been developed pursuant to State and County guidance and policies to manage the County's portfolio.

Policy 13

*The County shall restrict direct debt to the limit identified in Article 8, Section 6 of the Washington State Constitution. In addition, the County will be prudent when considering appropriate levels of debt, limiting debt service to the County's current and future ability to finance that service without diminishing core services. In recognition of the value of the County's ability to raise money at competitive rates, the County will also consider the impact of any new debt on future bond ratings. Biennial budget appropriations shall include debt service payments and reserve requirements identified in bond covenants for all outstanding debt.*

At the end of 2019, the County's non-voted debt legal limit was \$976.1 million. Outstanding General Obligation (GO) Bond Debt subject to this limit at the end of 2019 was \$75.2 million (GO Bonds face value of \$70.4 million plus capital lease obligations of \$4.8 million), or 7.7% of the debt

limit. Additional governmental debt includes public works trust fund loans, special assessment debt, and capital leases. Total governmental debt was \$96.7 million at December 31, 2019.

Policy 14

*Clark County recognizes that net direct debt service should be no more than ten percent (10%) of the operating revenues of the issuing fund and the General Fund combined.*

Debt service in 2019, excluding enterprise funds, was \$12.7 million. In 2019, total debt service for governmental funds as a percentage of total revenues generated in all governmental funds was 3.7%.

Policy 15

*Where possible, Clark County will use revenue or other self-supporting bonds instead of general obligation bonds except where significant interest differences become a primary consideration.*

The County had \$70.4 million in total outstanding general obligation (GO) bonds at December 31, 2019, plus unamortized bond discounts of \$5.9 million, for a total GO bond reporting amount of \$76.3 million. At this time, the County has no outstanding Revenue Bond Debt.

Policy 16

*Clark County will not use long-term debt to finance current operations. Long-term borrowing will be confined to capital improvements or similar projects with an extended life which cannot be financed from current revenues.*

Long-term debt has been used only to finance capital improvements or acquisitions.

Policy 17

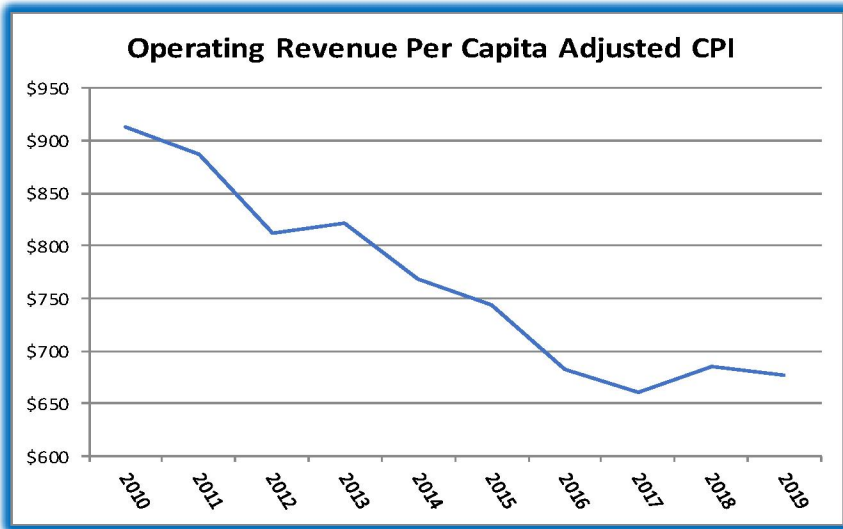
*Clark County will keep the maturity of general obligation bonds consistent with or less than the expected lifetime of the project, with a goal of amortizing at least an average of 5.0% of project costs per year. All future long-term debt will have prepayment options unless alternative debt structures are judged more advantageous to the County.*

At the end of 2019, the general obligation bonds issued by the County have an outstanding life of 20 years or less. The County took advantage of a low interest environment in 2004, 2005, 2012, 2014 and 2017, refunding earlier bonds with lower interest rates.

## Operating Revenue Per Capita

### Description

Per capita revenue illustrates revenue changes relative to population size. As population increases, it may be expected that the volume of services provided may increase proportionately. For a variety of reasons including legal limits and the cyclical nature of certain revenues, the level of per capita revenue may not directly correlate to population changes. Operating revenue per capita includes taxes, licenses & permits, fines & forfeitures, grants, and other miscellaneous sources of funds. It does not include revenue from proprietary activities.



Warning Trend: Decreasing Per Capita Operating Revenue in Adjusted Dollars

Clark County Trend: **Mixed**

Formula:

$$\frac{\text{Operating revenues (adjusted dollars)}}{\text{Population}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

Operating Revenue Per Capita	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Operating Revenue (in \$1,000s)	305,474	295,801	294,410	279,813	282,292	302,640	312,097	317,700	338,987	347,253
Per Capita Revenue	718	691	683	643	638	670	677	675	707	711
Total Operating Revenue (in \$1,000s)- Adjusted	383,513	361,041	351,228	325,666	320,805	339,739	343,000	335,167	347,596	347,253
Per Capita Revenue-Adjusted	902	844	814	748	724	752	744	712	725	711

### Highlights:

Per Capita revenue in nominal terms was \$711 in 2019 versus \$718 in 2010, recovering from a downward trend that started prior to 2010 and bottomed in 2014 at \$638, for a loss of 1.0% for this ten year period.

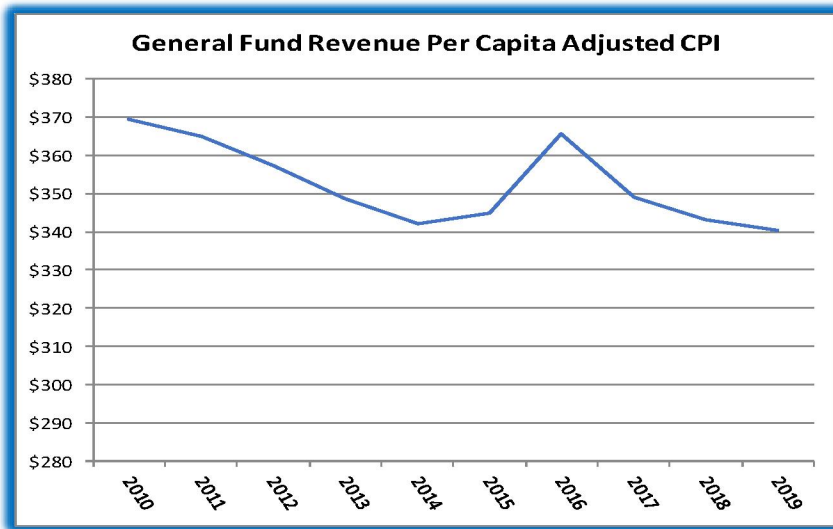
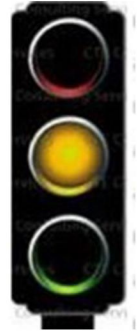
Per capita revenue adjusted for inflation has trended down since 2010. This is a result of a steadily growing population and inflation compared to a slower growth in revenues in nominal terms.

Total operating revenue was \$347.3 million in 2019, which is a 2.4% increase from 2018 and 13.7% increase over 2010. Tax revenues have led the recovery with corresponding increases of 4.5% in 2019 versus 2018 and 36.9% increase in 2019 versus 2010.

## General Fund Revenue Per Capita

### Description

Per capita revenue illustrates revenue changes relative to population size. As population increases, it may be expected that the need for services would increase proportionately and, therefore, the level of per capita revenue should remain at least constant in real terms. General Fund revenue per capita includes taxes, licenses & permits, fines & forfeitures, grants, and other miscellaneous sources of funds. General Fund revenues are used primarily to fund Public Safety and General Government. General Fund revenues are also used to support other funds that may be experiencing financial difficulty.



**Warning Trend: Decreasing Per Capita General Fund Revenue in Adjusted Dollars**

**Clark County Trend: Mixed**

Formula:

$$\frac{\text{General Fund revenues (adjusted dollars)}}{\text{Population}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

Gen Fund Revenue Per Capita	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund Revenue (in \$1,000s)	125,128	127,955	129,122	130,432	133,274	138,851	153,369	155,777	160,492	166,236
Per Capita Revenue	294	299	299	299	301	307	333	331	335	340
Gen Fund Revenue (in \$1,000s)-Adjusted	157,094	156,176	154,042	151,805	151,456	155,872	168,556	164,342	164,568	166,236
Per Capita Revenue-Adjusted	369	365	357	349	342	345	366	349	343	340

### Highlights:

General Fund revenue per capita, adjusted for inflation, decreased 0.8% to \$340 in 2019 from \$343 in 2018. General Fund adjusted revenue per capita as at its peak in this period in 2010 at \$369, then rebounded in 2016, with the intervening years dropping to lower levels.

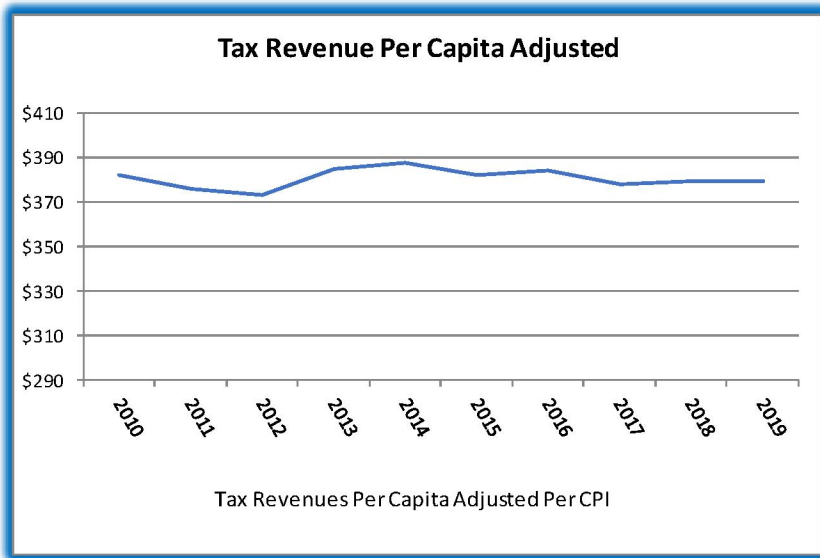
The average annual increase in General Fund revenue in nominal dollars from 2010 to 2019 has been a modest 3.2%, and adjusted for inflation was 2.0%. Over this same period, population grew by 14.8%, resulting in a 7.9% drop in the General Fund Revenue Per Capita in adjusted dollars.

The level of General Fund revenue growth impacts its ability to provide services and financial support to other funds.

## Tax Revenue Per Capita

### Description

Tax revenue includes current and delinquent real and personal property tax, as well as sales and use tax and various excise taxes. Tax revenue represents the largest revenue source for the County. A decline or diminished growth rate in tax revenue may indicate potential problems in the County’s revenue structure. Tax revenue per capita is impacted by changes tax revenue and changes in population.



Warning Trend: Decreasing Per Capita Tax Revenue in Adjusted Dollars

Clark County Trend: **Positive**

Formula:

$$\frac{\text{Tax revenues (adjusted dollars)}}{\text{Population}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

Tax Revenue Per Capita	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Tax Revenue (in \$1,000s)	129,373	131,752	134,856	143,966	150,932	153,886	161,251	168,825	177,304	185,224
Tax Rev Per Capita	304	308	313	331	341	341	350	358	370	379
Tax Rev Per Capita-Adjusted	382	376	373	385	387	382	384	378	379	379

### Highlights:

Tax revenue per capita, adjusted for inflation and the change in population remained the same for 2019 compared to 2018. The ten year trend is mixed because per capita tax revenue has been relatively stable throughout.

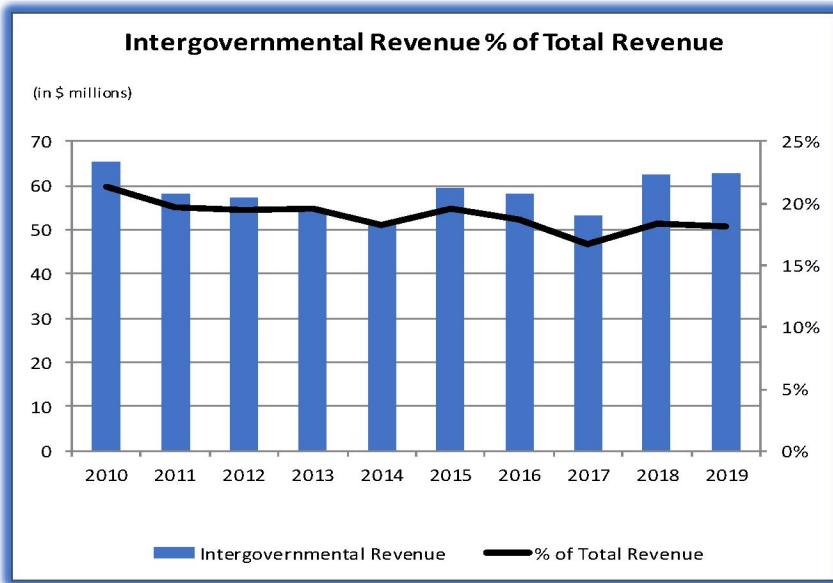
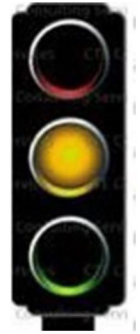
Property tax revenue makes up the largest portion of tax revenue at \$114.0 million or 61.5% of tax revenue in 2019. Sales and use taxes were \$57.4 million or 31.0% and excise and other taxes were \$13.8 million or 7.1% of total tax revenue in 2019. Nominally, taxes increased \$7.9 million or 4.5% in 2019 versus 2018.

Adjusted for inflation, total tax revenue has increased 14.0% since 2010. Adjusted property taxes decreased 4.2%, sales tax increased 75.6% and excise & other taxes increased 28.6% during this same period. Annual property taxes increases at the entity level are limited to 1% plus new construction.

# Intergovernmental Revenue<sup>1</sup>

## Description

Intergovernmental revenue is received from other governmental entities in the form of grants, and are generally restricted to certain programs or have other stipulations in how they may be spent. They are a measure of the County’s ability to attract funding from outside sources, including the state and federal governments. A concern with intergovernmental revenues is that they are dependent on the financial condition of the government transferring the revenue.



Warning Trend: Changing amount of intergovernmental revenues as a percentage of total

Clark County Trend: **Mixed**

Formula:

$$\frac{\text{Intergovernmental revenues}}{\text{Total governmental revenues}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

Intergovernmental Revenue	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Intergovernmental Revenue (in \$ millions)	65	58	57	55	51	59	58	53	62	63
As % of Total Operating Revenue	21.4%	19.7%	19.5%	19.6%	18.0%	19.6%	18.7%	16.7%	18.4%	18.1%
Per Capita Revenue	154	136	133	126	115	131	127	113	130	129
Per Capita Revenue-Adjusted	193	166	159	146	131	147	139	119	133	129

## Highlights:

Nominal intergovernmental revenues increased 0.8% in 2019 compared to 2018. Intergovernmental revenues dropped significantly in 2011, partly due to decreases in Medicaid fee revenue.

Intergovernmental revenue, as a percentage of total revenue has been relatively stable since 2011, averaging around 18.5%.

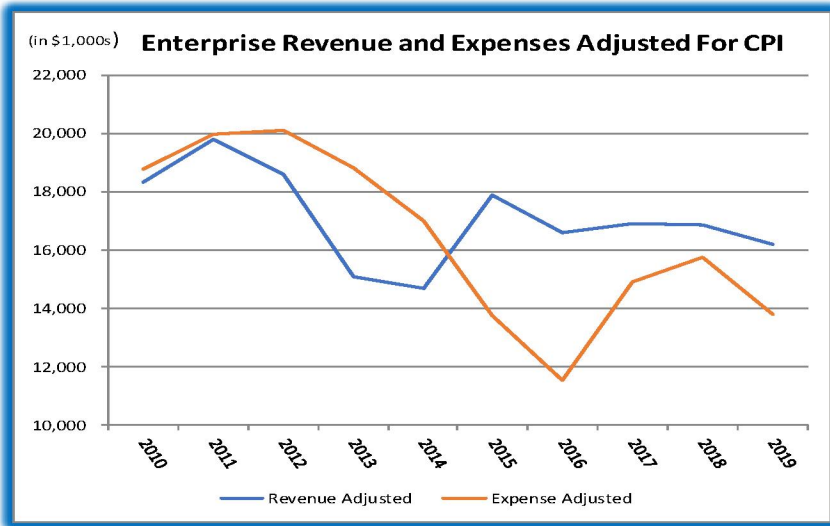
<sup>1</sup> In 2013, the accounting for intergovernmental revenues changed as a result of structural changes in the Washington State Budgeting, Accounting and Reporting System. The changes have been carried back to prior years on this chart and graph to allow for comparison.



## Enterprise Operating Revenue and Expenses

### Description

Enterprise activities generate revenues by providing services to citizens, either directly or through another agency. Charges for services are set to cover most costs including equipment repair and replacement and debt service. Enterprise revenues do not include interest income, grant revenue, capital contributions or transfers from other funds. Enterprise activities include Sanitary Sewer, Solid Waste, a municipal golf course and surface water.



Warning Trend: Expenses in excess of revenues

Clark County Trend: **Mixed**

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

Enterprise Operating Rev and Exp	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Adjusted Operating Rev. (in \$1,000s)	18,354	19,787	18,621	15,087	14,714	17,874	16,587	16,901	16,886	16,215
Adjusted Operating Exp. (in \$1,000s)	18,775	19,963	20,093	18,811	16,992	13,744	11,541	14,932	15,784	13,799

### Highlights:

Total revenue for all Enterprise Funds declined in 2019, with a 1.5% decrease over 2018. Adjusted for inflation, revenue decreased by 4.0% in 2019.

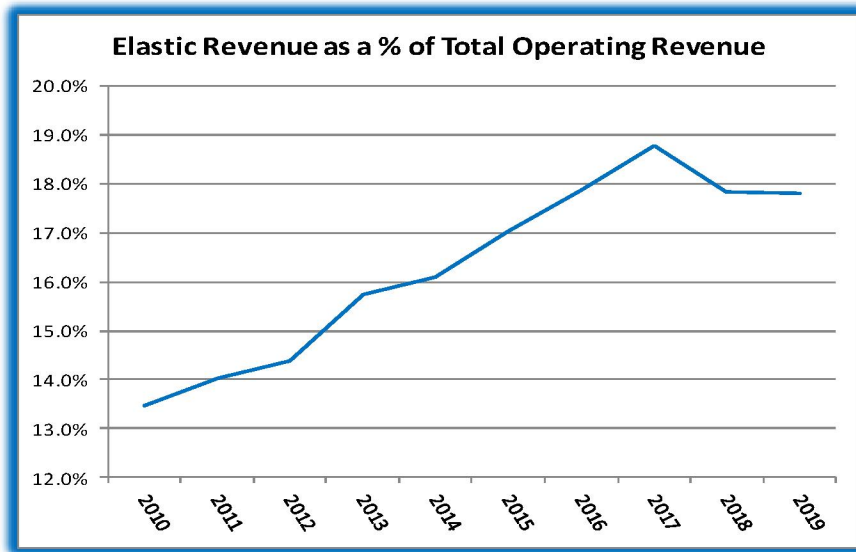
Operating expenses excluding depreciation decreased 10.4% in 2019 versus 2018. Solid Waste had a 36.4% reduction in operating expenses as a direct result of a credit to pension expense. The County implemented GASB 68 in 2015, which requires certain reporting for pension expenses. In 2016 these changes resulted in a large credit to several enterprise funds, offsetting operating expenses in Solid Waste in particular.

In 2012, Enterprise revenues reflected here have been reduced for a one-time \$12.4 million payment from Clark Regional Wastewater District, which was used to retire revenue bonds. The Sanitary Sewer fund received \$3.5 million annually from CRWWD prior to 2012 for debt service, which also contributed to the downward trend in revenue in 2013.

## Elastic Revenue as a Percent of Total Revenue

### Description

Elastic revenues are highly responsive to changes in the economic base and inflation. As the economic base expands or inflation goes up elastic revenues rise roughly in proportion. A good example is sales tax revenue that increases during good economic periods with increases in retail business and declines during poor times, even though the tax rate remains the same. Other examples of elastic revenue include permit and inspection fees, recording and licensing fees, and penalties and interest on delinquent taxes.



**Warning Trend: Decreasing elastic operating revenues as a percentage of total operating revenues**

**Clark County Trend: Positive**

Formula:

$$\frac{\text{Elastic operating revenues}}{\text{Total operating revenues}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

Elastic Rev as a % of Total Op Rev	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elastic operating revenue (in \$1,000s)	41,120	41,493	42,308	44,002	45,452	51,524	55,770	59,623	60,499	61,780
Total operating revenue (in \$1,000s)	305,474	295,801	294,410	279,813	282,292	302,640	312,097	317,700	338,987	347,253
Elastic % of Total	13.5%	14.0%	14.4%	15.7%	16.1%	17.0%	17.9%	18.8%	17.8%	17.8%

### Highlights:

Elastic revenues have averaged 16.4% of total operating revenues over the last 10 years. In 2019, 65.1% of revenues identified as elastic come from sales and use tax. Another 14.0% came from building permits and 11.4% came from motor vehicle fuel taxes (MVFT).

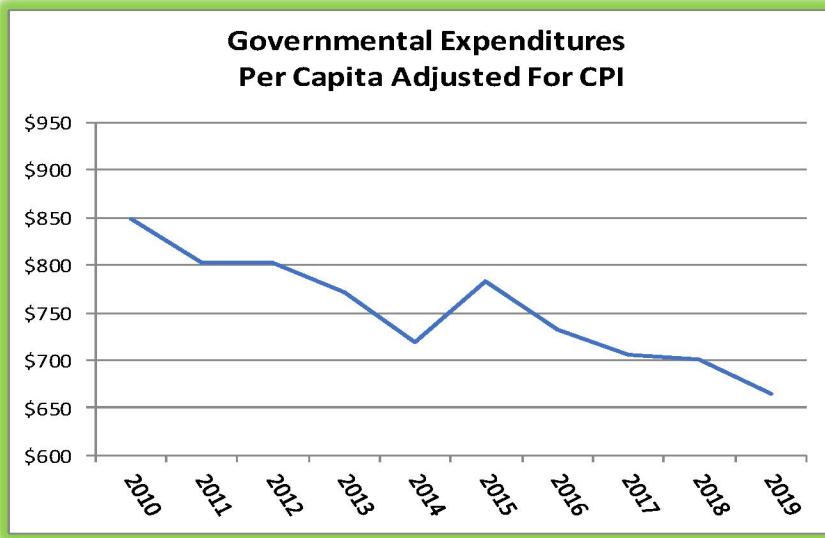
Sales and use tax revenue is at the highest point of revenue and elasticity percent, \$38.0 million and 61.5% respectively, in 2019. Building permit revenues, including commercial and residential permits, reached a new peak of \$10.0 million and 17.9% all elastic revenues in 2016. MVFT peaked in 2017 with \$7.3 million and 12.3% of elasticity. Overall, highest elasticity during the period was in 2017 at 18.8%.

The increase in elastic revenues as a percentage of total operating revenues beginning in 2010 follows the recovering economy, with a modest reduction in years 2018 and 2019 versus 2017.

# Total Governmental Fund Expenditures Per Capita

## Description

Per capita expenditures reflect changes in expenditures relative to changes in population. As population increases, and the related expenses of providing services to a larger population increase, per capita expenditures should remain relatively level in constant dollars. If the indicator is trending differently, it may indicate that the cost of providing services is increasing in an unsustainable manner or that service levels are declining.



Warning Trend: Increasing or Decreasing Per Capita Expenditures in Adjusted Dollars

Clark County Trend: **Positive**

Formula:

$$\frac{\text{Total expenditures (adjusted dollars)}}{\text{Population}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

Governmental Expend. Per Capita	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Expenditures \$1,000s)	287,715	281,197	290,224	288,422	279,824	315,110	307,401	315,130	327,615	325,017
Per Capita Expenditures	676	657	673	662	632	697	667	669	683	665
Total Expenditures (in \$1,000s)-Adjusted	361,217	343,216	346,234	335,686	318,000	353,737	337,840	332,456	335,935	325,017
Per Capita Expenditures-Adjusted	849	802	803	771	718	783	733	706	701	665

## Highlights:

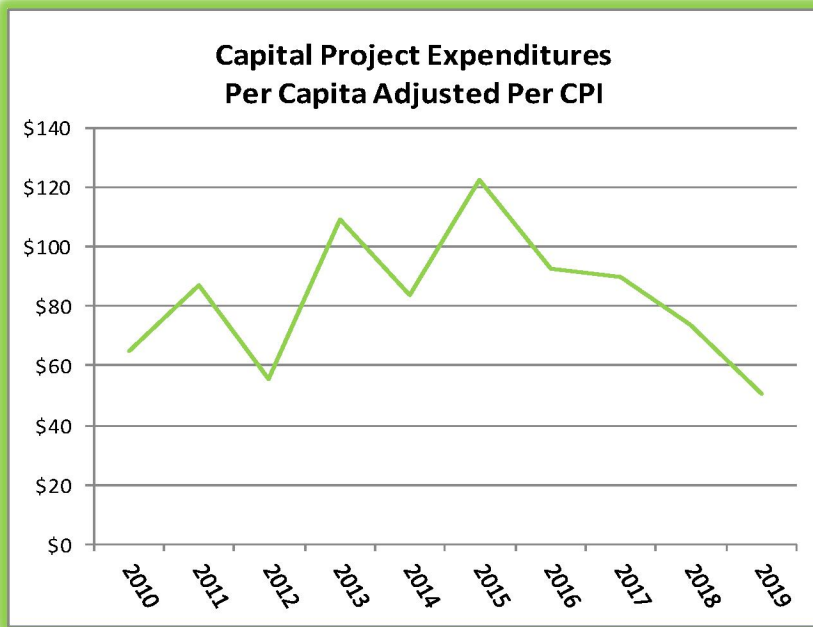
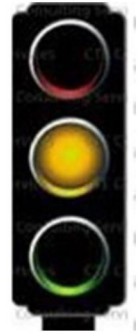
Government expenditures per capita, in adjusted dollars, are a gradual decrease overall over the past 10 years. The upward turn in 2015 expenditures is in part due to a \$7.7 million bond payoff and an increase in capital outlay (from 2014) for roads of \$16.2 million. With the exclusion of these expenditures for debt and transportation capital, the above Adjusted Per Capita Expenditures would have increased 3.4% from an adjusted \$645 in 2015 to \$667 for 2016.

In 2019, Public Safety expenditures represented 25.4% of the total expenditures, General Government 23.3%, Transportation 19.6%, and Health and Human Services 14.1%.

## Capital Project Expenditures Per Capita

### Description

Per capita capital expenditures reflect changes in capital expenditures (land, buildings, infrastructure and capital improvements assets) in governmental funds relative to changes in population. Capital Expenditures includes equipment that will last longer than one year. These assets may remain constant or even decline in the short run. If the decline persists over 3 years, it can be an indicator that capital outlay needs are being deferred, resulting in the use of obsolete equipment and forgoing needed maintenance on infrastructure.



Warning Trend: Increasing Capital Expenditures Per Capita in Adjusted Dollars

Clark County Trend: **Mixed**

Formula:

$$\frac{\text{Capital expenditures (adjusted dollars)}}{\text{Population}}$$

Source:

Clark County General Ledger and Clark County Comprehensive Annual Financial Report (CAFR)

Capital Project Expend. Per Capita	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Capital Expenditures (in \$1,000s)	31,666	37,034	27,649	37,447	35,560	49,232	38,755	40,124	34,391	24,646
Capital Expenditures Per Capita (in \$)	74	87	64	86	80	109	84	85	72	50
Capital Expenditures (in \$1,000s)- Adjusted	27,589	37,259	23,877	47,668	37,190	55,267	42,592	42,330	35,265	24,646
Capital Expenditures Per Capita-Adjusted (in \$)	65	87	55	109	84	122	92	90	74	50

### Highlights:

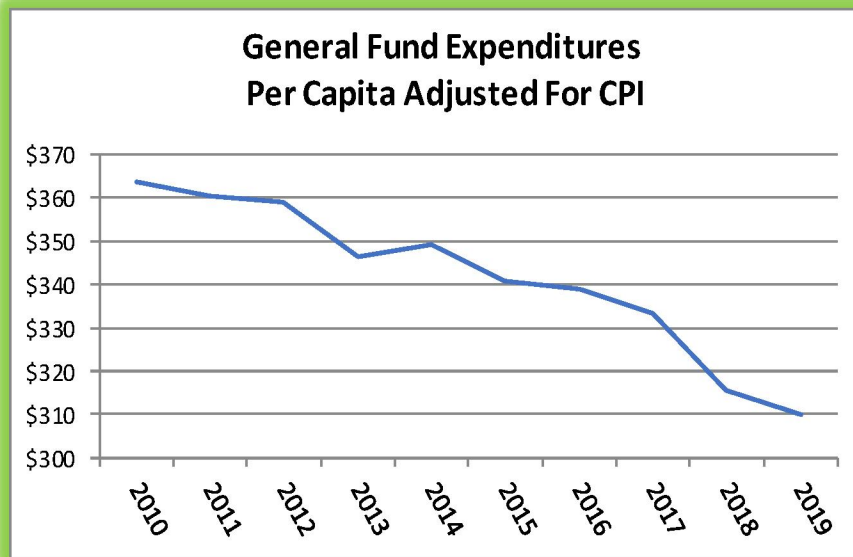
Capital expenditures per capita, adjusted for inflation, averaged \$82.9 over the last 10 years. The annual average amount of capital expenditures, adjusted for inflation, is \$37.4 million over the last 10 years. 2019 capital expenditures per capita and total capital expenditures both are below the 10 year averages.

In 2019 the largest annual decrease in capital expenditures was \$6.9 million in the Road Fund, as a result of completing projects included in the 6 Year Capital Transportation plan in the year 2015. The other special revenue funds capital spending decreased by \$1.5 million from 2018.

## General Fund Expenditures Per Capita

### Description

General Fund accounts for all financial resources and expenditures except those required to be accounted for in another fund, and includes functional areas such as Public Safety and the Courts. As such, it is a barometer of general county government viability. Consistent levels of expenditures per capita may mean that the county is managing resources to match the growing population.



**Warning Trend: Increasing or Decreasing Per Capita General Fund Expenditures in Adjusted Dollars**

Clark County Trend: **Positive**

Formula:

$$\frac{\text{General Fund expenditures (adjusted)}}{\text{Population}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

General Fund Expend. Per Capita	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund Expenditures (in \$1,000s)	123,144	126,387	129,756	129,594	136,122	137,236	142,158	148,763	147,611	151,452
Per Capita Gen Fd Expend (in \$)	290	295	301	298	307	304	308	316	308	310
General Fund Revenue (in \$1,000s)- Adjusted	154,604	154,262	154,797	150,830	154,693	154,059	156,235	156,942	151,360	151,452
Per Capita Gen Fd Expend-Adjusted (in \$)	363	360	359	346	349	341	339	333	316	310

### Highlights:

General Fund Expenditures Per Capita, adjusted for inflation, decreased in 2019 from 2018, and remained under the ten year average of \$342. A one-time \$10.0 million settlement paid from the General Fund in 2013 has been removed from expenditures for the purpose of this trend data.

Public Safety accounts for 50.8% of total General Fund expenditures in 2016. General Government makes up 44.6% of the total.

General Fund expenditures have increased over the course of ten years, but accounting for inflation expenditures have been relatively flat with a modest decrease in 2018. Taking into account population increases adjusted expenditures per capita are down significantly over the ten year period.

## Employees Per Capita

### Description

Personnel costs are a major portion of the County’s operating budget. Tracking changes in the number of employees to population is a means to measure changes in expenditures. An increase in employees to population may indicate that expenditures are rising faster than revenues. An increase in employee per capita is not negative if a direct correlation can be shown to increased services.



Warning Trend: Significantly changing number of employees per capita

Clark County Trend: **Positive**

Formula:

$$\frac{\text{Number of Employees}}{\text{Population}}$$

Source:

Financial Report of Revenues and Expenses, 4th Quarter



Employees Per Capita	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of FTEs	1,576	1,560	1,514	1,500	1,499	1,519	1,562	1,575	1,565	1,621
FTEs per 1,000 Capita	3.70	3.64	3.51	3.44	3.38	3.36	3.39	3.34	3.26	3.32

### Highlights:

The number of employees per capita has declined 10.4% between 2010 and 2019. The decline is the result of population growth and budgetary constraints on the County. This may appear to be a significant decline, however, service levels are being maintained through strategic workforce planning and technological gains.

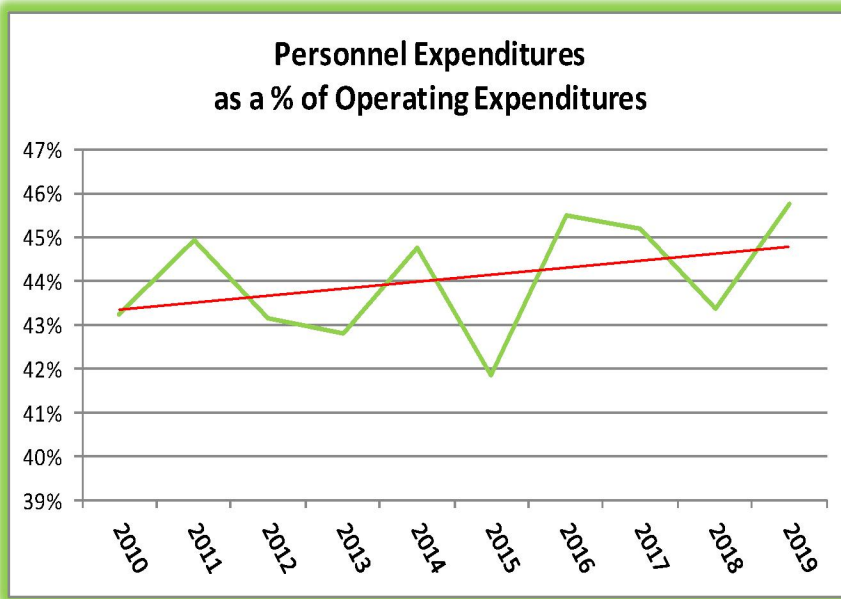
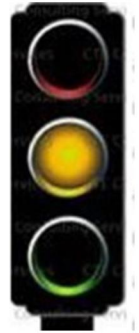
Actual FTE’s as of the end of 2019 totaled 1,621 or about 93.6% of those budgeted. There are a variety of reasons for the variance, including matching skillsets to position requirements, time taken to fill positions, and workforce planning changes.

The number of budgeted full time employees increased to 1,731 in 2019 compared 1,723 in 2018. The number of budgeted employees has increased 14.4% over the decade from 1,513 in 2010.

## Personnel Expenditures

### Description

Personnel costs include salaries, wages and employee benefits (including clothing allowance, vehicle allowance, and the employer portion of payroll taxes and retirement contributions). Some government functions are labor intensive such as General Government. Others are more capital intensive, such as Public Works. Personnel costs are related to total County operating expenditures, excluding depreciation.



**Warning Trend: Increasing personnel expenditures as a % of Operating Expenditures**

Clark County Trend: **Mixed**

Formula:

$$\frac{\text{Personnel Expenditures}}{\text{Total Operating Expenditures (excluding depreciation)}}$$

Source:  
Clark County General Ledger

Personnel Expenditures	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Personnel Costs (in \$1,000s)	139,089	140,482	143,143	143,700	147,677	154,495	163,170	168,513	172,544	179,317
As % of Operating Expenditures	43.2%	44.9%	43.1%	42.8%	44.8%	41.9%	45.5%	45.2%	43.4%	45.8%
Average Salary and Wages Costs per FTE (in \$)	66,087	66,782	70,260	70,713	72,437	74,091	75,219	77,300	76,865	74,223

### Highlights:

Personnel costs as a percentage of operating expenditures have remained fairly flat over the 10 years covered by this report. The decrease in 2018 was the result of converting from accruing employee leave expense when earned to expensing it when taken (small expense reduction) coupled with higher operating expenses (\$12.5 million) in 2018 versus 2017.

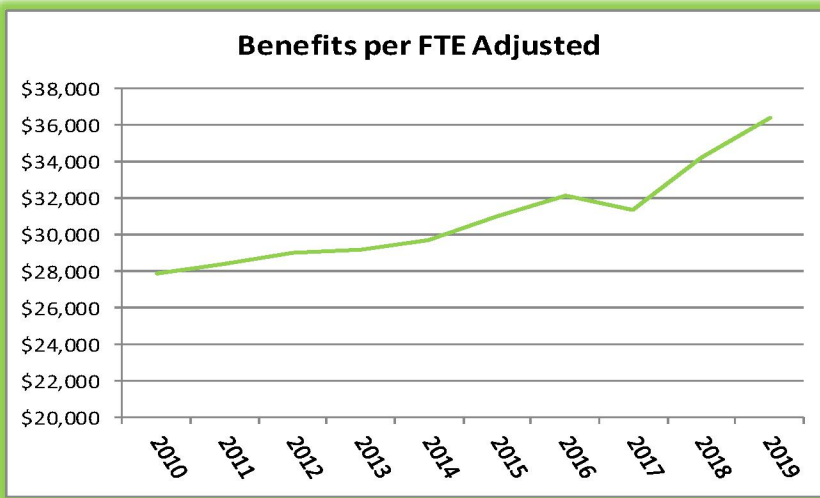
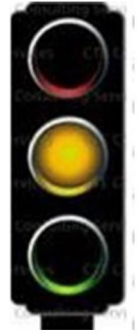
Salaries and wages as a percentage of total personnel costs decreased from 74.9% in 2010 to 67.1% in 2019, averaging 72.3% of total personnel costs over the last 10 years. During this period, Healthcare and pension expenses have increased faster than salaries and wages.

The average annual increase in salaries and wages has been 1.7% over the last nine years.

## Employee Benefit Costs

### Description

Employee benefits include health insurance, clothing allowance, vehicle allowance and the employer portion of payroll taxes and retirement contributions. Increases in benefit costs may be a reflection of the economy in general, such as the burgeoning cost of health care or attempts to manage an unfunded gap in pension liability.



Warning Trend: Increasing benefit costs as a % of Personnel Costs

Clark County Trend: **Mixed**

Formula:

$$\frac{\text{Benefit Costs}}{\text{Total Personnel Costs}}$$

Source:  
Clark County Financial Management System

Employee Benefit Costs	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Benefit Costs (in \$1,000s)	34,948	36,316	36,754	37,637	39,108	41,935	45,668	46,765	52,250	59,000
Benefits per FTE Adjusted	27,844	28,418	28,957	29,205	29,652	30,986	32,129	31,324	34,235	36,398
Benefit Costs as % of Total Personnel Expenditures	25.1%	25.9%	25.7%	26.2%	26.5%	27.1%	28.0%	27.8%	30.3%	32.9%

### Highlights:

Employee benefit costs as a percentage of total personnel costs have increased from 25.1% in 2010 to 32.9% in 2019. Total benefits increased \$4.8 million (12.9%) from 2018 to 2019.

Benefits per FTE have risen 64.1% during these ten years.

Total benefits increase adjusted for inflation is 34.5% since 2010.

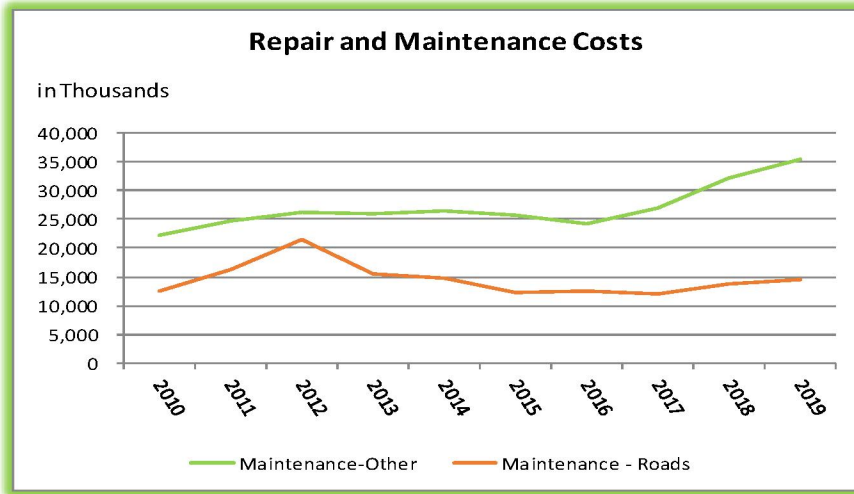
Most of the increase during this ten year period is due to rising healthcare (47% increase) and retirement system (225% increase) costs.



## Repair and Maintenance Costs

### Description

Repair and maintenance costs include repair and maintenance expenditures for buildings, fleet and data processing equipment and parks and road maintenance. This does not include major capital projects, acquisitions, or activity in enterprise funds.



Warning Trend: Increasing maintenance costs as a % of Depreciable Capital Assets

Clark County Trend: **Mixed**

Formula:  
Maintenance Costs  
Over Time

Source:  
Clark County CAFR

Repair and Maintenance Costs	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Maint. Costs-Roads including Overlays (in \$1,000s)	13,858	17,817	23,753	17,131	16,332	13,557	13,817	13,229	15,043	16,081
Road Miles Maintained	1,105	1,096	1,109	1,110	1,101	1,107	1,110	1,096	1,103	1,109
Maint. Costs-Roads, per road mile maintained (in \$'s)	12,541	16,256	21,418	15,434	14,834	12,246	12,448	12,070	13,639	14,501
Maintenance Costs-Other (in \$1,000s)	22,297	24,745	26,270	25,896	26,571	25,775	24,258	26,876	32,160	35,388
Maintenance Costs-Other as a % of Depreciable Non-Road Assets	7.1%	7.7%	7.7%	7.6%	7.5%	7.5%	7.0%	7.2%	8.0%	8.6%

### Highlights:

Maintenance-Other Asset costs as a percentage of Depreciable Non-Road Capital Assets has remained fairly consistent throughout this ten year period, ranging from a high of 8.6% in 2019 to a low of 7.0% in 2016. Nominal expenses increased by \$3.2 million, from \$32.2 million in 2018 to \$35.4 million in 2019.

Depreciable non-road assets increased from \$403.8 million in 2018 to \$411.6 million in 2019.

Maintenance costs per road mile do vary considerably within these ten years. After making progress on the maintenance backlog in 2012, cost per mile has been in the range of \$12.0-\$15.4K per year.

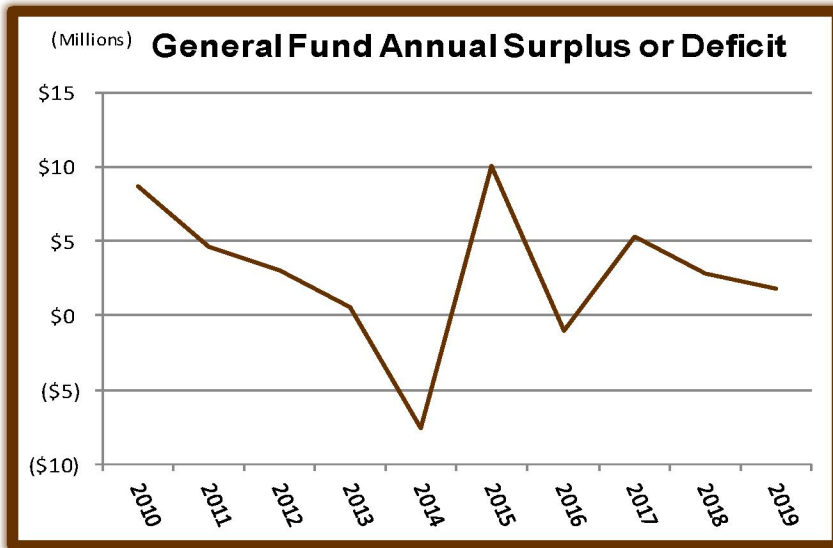
For the year 2018 the road pavement condition index (PCI) is 79.6%, which is above the County policy of 70.0% (fair condition). The percentage of roads in poor condition (PCI at or below 50%) is 10.5%.

The combined total maintenance costs, road and non-road, increased by \$4.3 million (9.0%) in 2019 to \$51.5 million from \$47.2 million in 2018.

## General Fund Annual Surplus or Deficit

### Description

Consists of the annual change in fund balance for General Fund revenues and other resources minus General Fund expenditures and other uses.



Warning Trend: Repeated operating deficits might indicate an inability to sustain services in the long term.

Clark County Trend: **Positive**

$$\frac{\text{Surplus or (Deficit)}}{\text{General Fund Revenue}}$$

Source:  
Clark County Comprehensive Annual Financial Report (CAFR)

General Fund Annual Surplus (Deficit)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Capital Outlay (in \$1,000s)	1,769	1,185	840	573	1,986	730	207	830	240	682
Ops Surplus (Deficit) (in \$1,000s)	10,503	5,780	3,836	1,117	(5,604)	10,763	(860)	6,191	3,014	2,468
Fund Surplus (Deficit) (in \$1,000s)	8,734	4,595	2,996	544	(7,590)	10,033	(1,067)	5,361	2,774	1,786
Surplus (Deficit) as a % of Revenues	7.0%	3.6%	2.3%	0.4%	-5.7%	7.2%	-0.7%	3.4%	1.7%	1.1%

### Highlights:

The decrease of \$7.6 million in fund balance experienced in 2014 was the result of conscious management decisions, including transfers to other funds and project expenses.

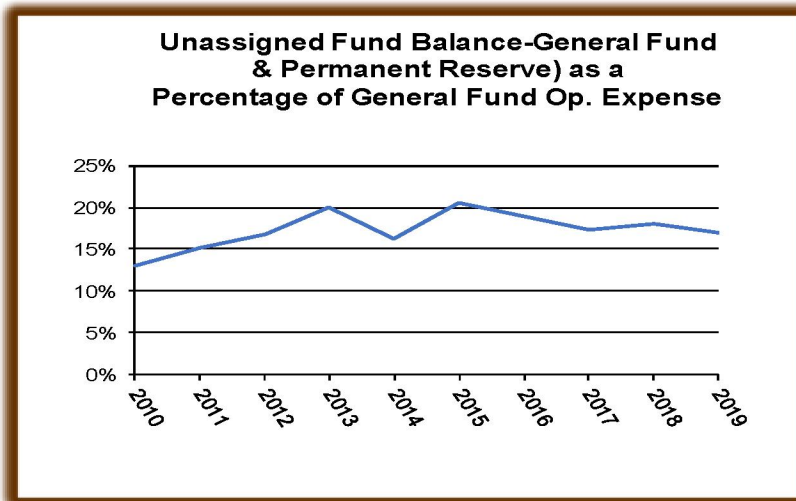
In 2019, the General Fund net change in fund balance was \$1.8 million, compared to \$2.8 million in 2018. The major impacts in 2019 were increases in revenues of \$5.8 million, and increases in expenses of \$3.8 million and transfers out of \$3.0 million, over 2018.

## Fund Balance—General Fund (& Permanent Reserve)



### Description

The level of unassigned fund balance for the General Fund (which includes the Permanent Reserve Fund Balance) may determine the County’s ability to withstand unexpected financial emergencies that may result from natural disasters, revenue shortfalls, unexpected maintenance costs or steep rises in inflation. Fund balances may also determine the County’s ability to manage monthly cash flows or accumulate funds for large-scale purchases without having to borrow.



Warning Trend: Declining unassigned fund balance as a percentage of net operating revenues.

Clark County Trend: **Positive**

Formula:

$$\frac{\text{Combined General \& Permanent Funds- Unassigned Fund Balances}}{\text{General Fund Operating Exp. \& Transfers Out}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

General Fund (& Permanent Reserve)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund Unassigned Fund Balance & Permanent Reserve (in \$1,000)	17,527	21,149	24,235	28,772	25,221	30,086	29,353	28,219	28,534	28,092
General Fund Designated Fund Balance (in \$1,000s)	7,117	8,090	8,000	3,463	2,956	7,377	7,093	3,400	5,859	8,342
Unassigned Fund Balance as % of General Fund Expenses & Transfers	13.1%	15.2%	16.7%	20.0%	16.2%	20.5%	18.9%	17.2%	18.0%	16.9%

### Highlights:

Total unassigned General Fund balance decreased slightly and at the end of 2019 was approximately 16.9% of annual expenditures and transfers.

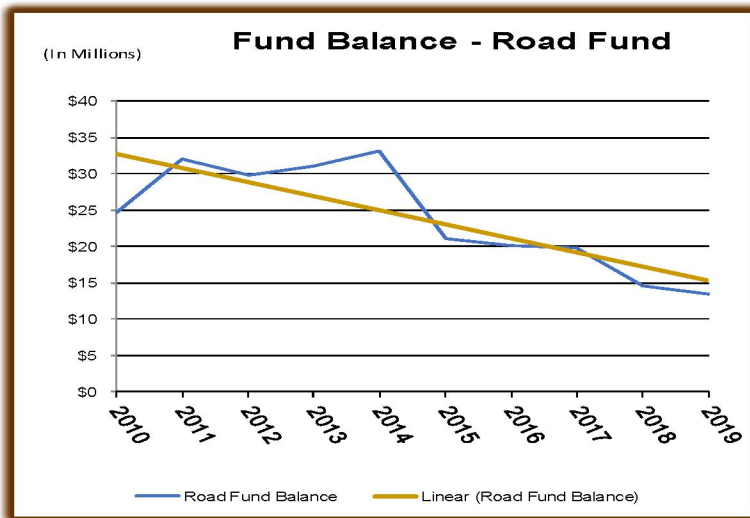
In 2013 the County began accruing prior year tax revenue collected in January and February of the proceeding year, which resulted in a \$2.9 million increase in unassigned fund balance. In 2015, three special revenue tax funds that had previously collected taxes and transferred all cash to the General Fund were dissolved and the taxes were collected directly in the General Fund.

The Government Finance Officers Association best practices recommends a risk based fund balance approach. This approach accepts uncertainty, assesses the impact of the uncertainty and augments the balance based on historical information. In 2013, Clark County adopted this methodology.

## Fund Balance—Road Fund

### Description

The level of fund balances in the Road Fund may determine the County’s ability to withstand unexpected financial emergencies in this partially tax supported fund that may result from natural disasters, revenue shortfalls, unexpected maintenance costs or steep rises in inflation. Fund balances may also determine the County’s ability to manage monthly cash flows or accumulate funds for large-scale purchase without having to borrow.



Warning Trend: Declining fund balance.

Clark County Trend: **Mixed**

Formula:

$$\frac{\text{Road Fund Balances}}{\text{Operating Expenses}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

Fund Balance - Road Fund	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Road Fund Balance (in \$1,000s)	24,748	32,029	29,806	30,988	33,090	21,096	20,184	19,856	14,528	13,404
As % of Operating Expenses	51.2%	61.0%	50.1%	46.4%	55.8%	27.6%	32.1%	29.0%	20.4%	21.3%

### Highlights:

Fund balance for the Road Fund was \$13.4 million in 2019, down from \$14.5 million in 2018.

Management continues to move forward with necessary capital road projects and improvements that have been delayed over the last several years. Total assets decreased \$2.0 million in 2019 compared to 2018, while cash increased by \$0.5 million. In 2015 saw the first significant decline of the fund balance for several years as a result of management’s decision.

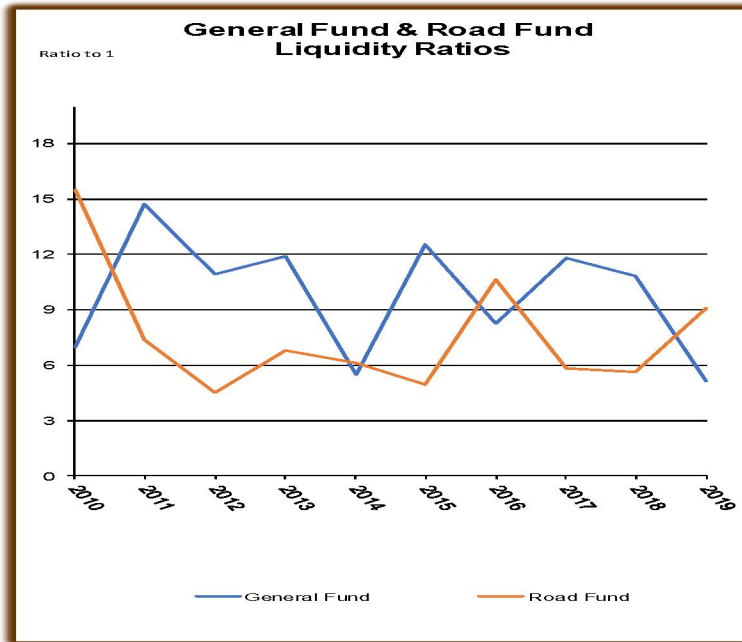
It is anticipated that the decline in fund balance will continue somewhat going into 2020 and beyond due to capital road projects that are in planning stages and set to begin in the next couple of years, as well as road projects currently in process. Public works is developing a fund balance policy to help determine the proper fund balance level.

## Fund Liquidity General Fund and Road Fund



### Description

A measure of the County's short term financial condition is its cash position and liquidity. Cash position includes cash and investments. Liquidity measures the County's ability to pay its short-term obligations. Low or declining liquidity can indicate that the County has overextended itself.



**Warning Trend:** A liquidity ratio below 1 or a persistently declining trend, may foretell a cash flow problem.

Clark County Trend: **Positive**

Formula:

$$\frac{\text{Cash \& Investments}}{\text{Liabilities}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR)

Fund Liquidity General Fund and Road Fund	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Liquid Assets-General Fund (in \$1,000s)	17,784	28,969	30,995	32,291	24,809	27,394	30,514	24,764	27,083	31,786
Net Liquid Assets-Road Fund (in \$1,000s)	20,127	31,579	29,050	28,602	29,939	20,243	20,213	21,735	14,478	13,495
Ratio (to 1)-Cash & Invest. to Liab.-Gen Fd	7	14.7	10.9	11.9	5.5	12.5	8.3	11.8	10.8	5.2
Ratio (to 1)-Cash & Invest. to Liab.-Road Fd	15.5	7.4	4.5	6.8	6.1	5.0	10.7	5.8	5.6	9.1

### Highlights:

The General Fund's liquidity ratio was 5.2 to 1 in 2019, down from 10.8 to 1 in 2018. The liquidity ratio has a 10 year average of 9.9 to 1, with a highpoint of 14.7 to 1 in 2011.

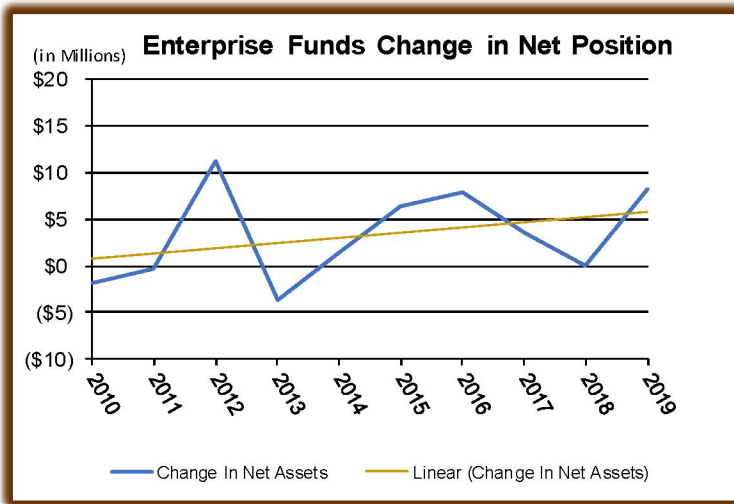
The Road Fund has \$13.5 million in net liquid assets at the end of 2019, down from \$14.5 million in 2018.

The Road Fund net liquidity ratio has fluctuated from a low of 4.5 to 1 in 2012 to a high of 15.5 to 1 in 2010. The Road Fund liquidity is largely determined by the timing of revenues and expenditures for road projects and at 9.1 to 1 for 2019 was above the 10 year average of 7.6 to 1.

## Enterprise Funds Change in Net Position

### Description

Enterprise funds are supported by user fees and are intended to operate more like a business than a public entity supported by taxes. User fees and charges are established in enterprise funds to promote efficiency by shifting payment of costs to specific users of services and to avoid general taxation. The increase/decrease in net position (revenue less expenses) is helpful in showing the health of the funds.



Warning Trend: Continuous year to year decreases in net position

Clark County Trend: **Mixed**

Source:  
Clark County Comprehensive Annual  
Financial Report (CAFR)

Enterprise Funds Change in Net Position	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Increase (Decrease) Net Position (\$1,000s)	(1,833)	(381)	11,187	(3,700)	1,406	6,379	7,849	3,455	(45)	8,263
Operating Income-Adjusted for CPI (\$1,000s)	4,231	3,289	17,113	(207)	1,152	4,518	5,152	3,723	2,772	2,488
Operating Income Actual (in \$1,000s)	3,370	2,695	14,345	(178)	1,014	4,024	4,688	3,529	2,704	2,488
Operating Income excludes depreciation expense.										
2015 Change in Net Position does not include the transfer out of \$121.8 million of assets to the Discovery Clean Water Alliance.										

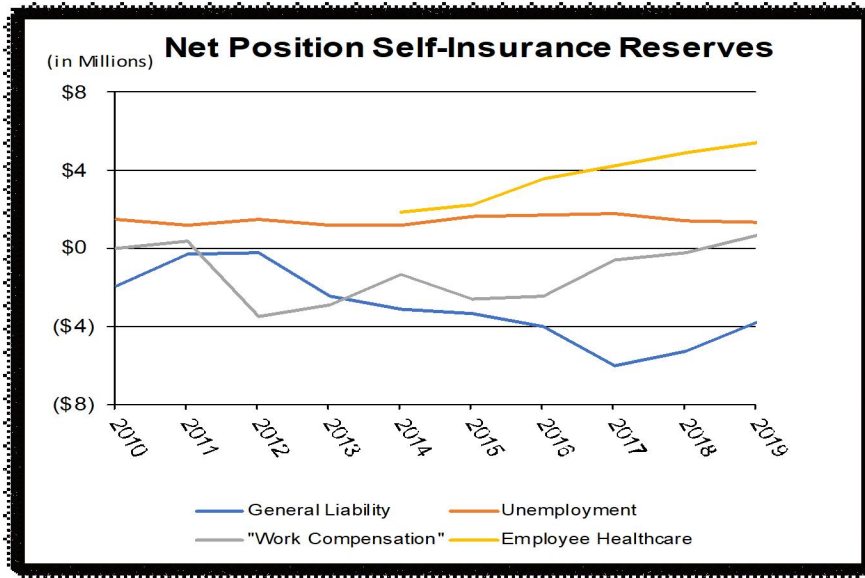
### Highlights:

Net position for enterprise funds grew by \$8.3 million 2019, of which \$5.3 million is attributable to capital contributions in the Clean Water Fund from developers for surface water improvements. The Clean Water Fund had a net position increase of \$6.9 million in 2019, while the County’s Non-Major enterprise funds had a increase of \$1.4 million. Capital assets increased \$5.8 million in 2019. Liabilities increased \$1.0 million.

In 2015, the County transferred the sewer plant and the associated infrastructure worth \$121.8 million to the Discovery Clean Water Alliance from the Sanitary Sewer Fund. That transfer has been omitted from the chart and graph above to better reflect that actual trend of enterprise operations in the County.

## Net Position Insurance Reserves

**Description** Includes year-end net assets for the County’s insurance reserve funds (General Liability, Work Comp, Unemployment and Healthcare Self-Insurance). Adequate reserves or insurance coverage are necessary to meet claims as they may occur.



Warning Trend: Deficit net assets.

Clark County Trend: **Mixed**

Source:  
Clark County Comprehensive Annual  
Financial Report (CAFR)

Net Position Insurance Reserves	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Liability (in \$1,000s)	(1,928)	(240)	(164)	(2,413)	(3,077)	(3,344)	(4,011)	(6,000)	(5,223)	(3,749)
Unemployment (in \$1,000s)	1,473	1,208	1,504	1,240	1,224	1,671	1,745	1,788	1,419	1,381
Worker Compensation (in \$1,000s)	5	372	(3,498)	(2,863)	(1,300)	(2,545)	(2,422)	(582)	(188)	682
Employee Healthcare (in \$1,000s) *					1,897	2,244	3,577	4,280	4,885	5,445

\* The Healthcare Self-Insurance fund was created in 2014

### Highlights:

General Liability net position (insurance reserves) has fluctuated for a ten year span from a low of negative \$6.0 million in 2017 to a high of negative \$0.1 million in 2012. The drop in General Liability reserves in 2012 is the result of a change in policy to accrue claims when settled, rather than leave the un-booked liability in reserves until paid. The reserve balance is a negative \$3.7 million at the end of 2019.

Unemployment insurance has hovered in the \$1.2-\$1.8 million range throughout these ten years. In 2019, reserves are approximately \$1.4 million.

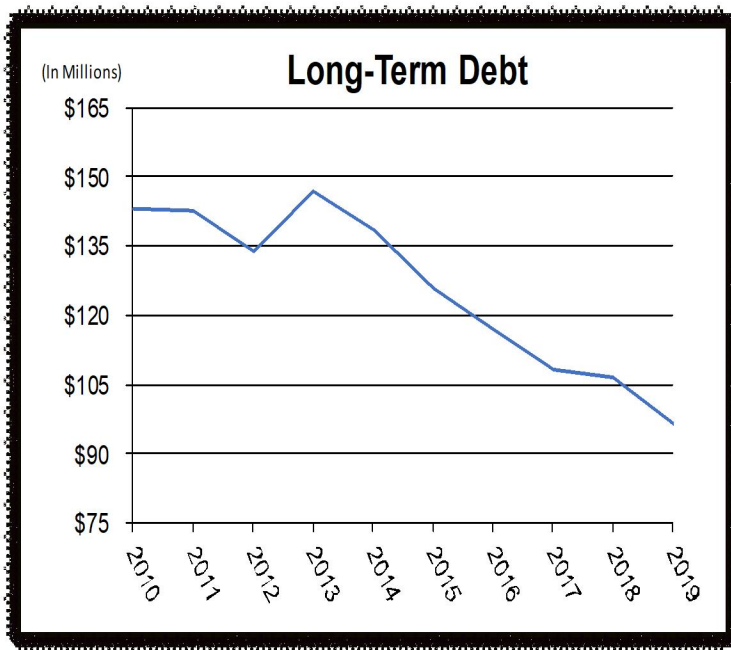
In 2010, work comp costs exceeded contributions by about \$212,000 and reserves dropped to \$5,215. Increased rates in 2011 rebuilt the current reserves. The County maintains a \$1.0 million commercial policy for excess worker’s compensation claims, with a \$750,000 deductible. From 2012 to 2016, the fund began experiencing large deficits due to accruing estimated long term claims liabilities. In 2019, the reserves are approximately \$0.7 million.

Beginning in 2014, the County established a fund to self-insure for some employee healthcare costs. The fund balance for Healthcare has a regulatory minimum fund balance threshold, which the fund has exceeded. At the end of 2019 the fund had a reserve balance of \$5.4 million.

## Long-Term Debt

### Description

Long term debt includes general obligation bonds, special assessment bonds, capital lease agreements, and advances (loans) due to other governments. Special revenue bonds and enterprise fund debt is not included.



**Warning Trend: High and increasing levels of debt could eventually strain repayment options, affect future interest rates, and hinder future ability to borrow funds for capital repairs and improvements.**

Clark County Trend: **Positive**

Formula:

$$\frac{\text{Long-Term Debt}}{\text{Population}}$$

Source:

Clark County Comprehensive Annual Financial Report (CAFR): Notes to the Financial Statements.

Long-Term Debt	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Long-Term Debt (in \$ millions) *	143.1	143.0	134.2	146.8	138.6	126.1	117.2	108.5	106.9	96.7
Long-Term Debt per Capita (in \$) *	336	334	311	337	313	279	254	230	223	198
GO Bond Debt subject to non-voted debt Limit (in \$ millions) **	121.8	115.9	108.9	118.9	111.2	99.8	91.1	83.1	82.9	75.2
GO Bond Debt as % of non-voted debt limit **	21.3%	20.7%	19.4%	26.2%	22.0%	17.5%	14.5%	11.7%	10.5%	8.1%
* Excludes \$24.0 million of cross-over debt issued in May 2017 to internally defease \$25.3 million of debt in January 2018.										
** Non-voted GO Debt represents all of the bonded debt outstanding.										

### Highlights:

Long term debt total decreased by \$10.2 million from 2018 to 2019.

Long-Term Long Debt per capita decreased \$25 in 2019 to \$198. This compares favorably to the ten year average of \$282.

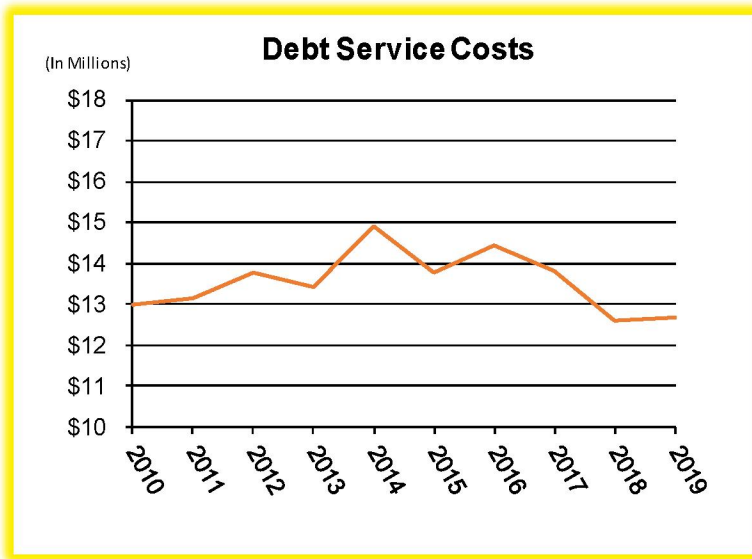
Total bonded debt (all is GO debt) outstanding decreased to \$75.2 million in 2019, compared to \$82.9 million in 2018. In 2015, general obligation refunding bonds totaling \$3.7 million (2015A) were issued to refund portions of the 2005A Limited Tax General Obligation Bonds.



## Debt Service Costs

### Description

This includes expenditures for retirement of long term debt from the governmental funds. This does not include retirements of special assessment bonds, short term debt, or proprietary fund debt. High or increasing amounts of debt service can become a factor in bond ratings and can also encumber cash available for ongoing operating expenditures.



Warning Trend: High or increasing amounts of debt service.

Clark County Trend: **Positive**

Source:  
Clark County Comprehensive Annual  
Financial Report (CAFR)

Debt Service Costs	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Service (in \$1,000s)	12,979	13,146	13,789	13,430	14,902	13,771	14,443	13,823	12,616	12,688
* Excludes \$24.0 million of cross-over debt issued in May 2017 to internally defease \$25.3 million of debt in January 2018.										

### Highlights:

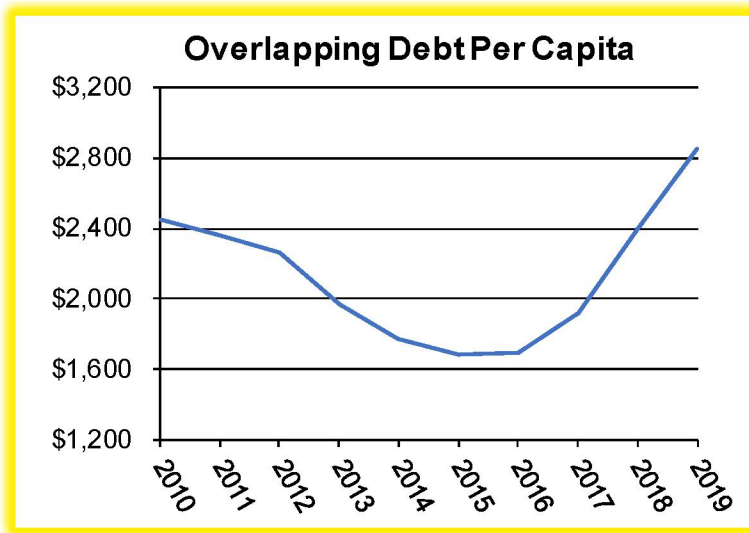
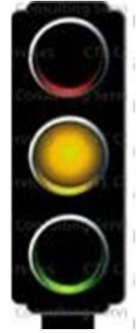
Debt service costs have hovered in the range of \$12.6-\$14.9 million during the past ten years. Debt service costs remain essentially unchanged in 2019 versus 2018.

For comparison purpose, 2015 debt service costs do not include a \$7.8 million refunding cost and 2018 debt service does not include \$24.0 million of crossover debt issued in 2017 to internally defease \$25.3 million of debt in 2018.

## Overlapping Debt Per Capita

### Description

This includes general obligation bonds for all taxing districts in Clark County. It does not include the County’s proprietary fund debt or any other long term liability. At some point, high levels of overlapping debt will strain taxpayers ability and willingness to pay more. This will make future levies and bonds requiring voter approval difficult to pass.



**Warning Trend:**  
Increasing overlapping debt.

Clark County Trend: **Mixed**

$$\frac{\text{Overlapping Debt}}{\text{Population}}$$

Source:  
Clark County Comprehensive Annual  
Financial Report (CAFR)

Overlapping Debt Per Capita	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Overlapping Debt (in \$ millions)	1,043.3	1,008.7	974.2	858.8	782.8	761.2	780.4	902.5	1,144.8	1,391.2
Overlapping Debt Per Capita (in \$)	2,453	2,357	2,259	1,972	1,768	1,685	1,693	1,916	2,387	2,848
County Debt as a % of Total Debt	13.6%	14.1%	13.6%	12.9%	14.2%	13.1%	15.0%	12.0%	9.3%	6.5%

### Highlights:

Over the ten years, overlapping debt per capita ranged from \$1,685 in 2015 to \$2,848 in 2019. Total overlapping debt has been increasing each year since 2015 and is at its peak in 2019.

At December 31, 2019, school districts account for 78.2% of total overlapping debt, cities for 9.1%, and the County for 6.5%. The remaining debt belongs to fire districts, port districts, and libraries.

County debt as a percentage of total overlapping debt has been decreasing since 2016. In the year 2019, the County debt portion is 6.5%, the lowest during the past ten years.

## Population of Cities and County

### Description:

Changes in population can directly affect the County’s revenues, such as property tax collections and cost of services. Population level indirectly relates to such issues as employment, income, and property value. An increasing population is generally considered positive. Fiscal hardship can occur as a result of rapid increases or decreases in population. It may be fiscally difficult to react to service level changes as a result of a sudden change in population.



### Warning Trend:

Rapid Change in population

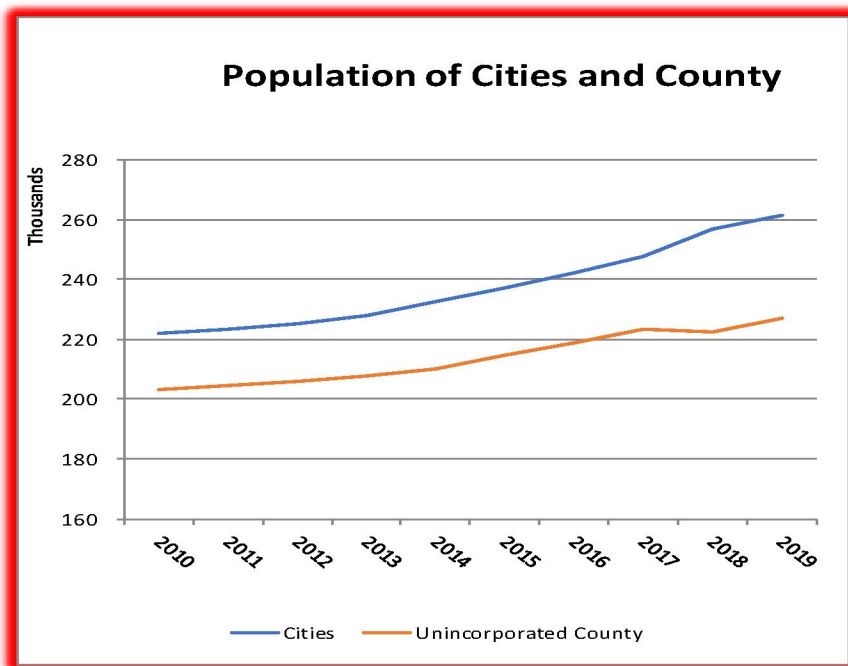
Clark County Trend: **Positive**

Formula:

Population of the unincorporated areas in Clark County and the population of incorporated cities including Battle Ground, Camas, La Center, Ridgefield, Vancouver, Washougal, part of Woodland and Yacolt.

Source:

Based on census, if available, or as estimated by the Washington Office of Financial management as of April 1 of the year reported



Population of Cities and County	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cities	222,024	223,390	225,365	227,790	232,660	237,235	242,260	247,840	257,080	261,610
Unincorporated County	203,339	204,610	205,885	207,710	210,140	214,585	218,750	223,160	222,420	226,890
County as a % of Total	47.8%	47.8%	47.7%	47.7%	47.5%	47.5%	47.5%	47.4%	46.4%	46.4%
% Change in Unincorporated Population	-3.36%	0.63%	0.62%	0.89%	1.17%	2.12%	1.94%	2.02%	-0.33%	2.01%

### Highlights:

Population in unincorporated areas of Clark County has grown by 1.6% annually, on average, over the last 10 years. Total County population has average annual growth of 1.7% in the same period.

Population in the entire county has grown by 14.8% in the years since 2010. The population in the incorporated areas grew faster at 17.8%, while the population of the unincorporated areas of Clark County grew only 11.6% over the same period.

In comparison, the populations of other counties within the Portland Metro Area, Oregon’s Washington, Multnomah, and Clackamas counties, grew 15.8%, 11.8%, and 12.6%, respectively, over the last 10 years.

# Median Household Income

## Description:

Median household income is one measure of the County’s residents ability to pay taxes. Generally, the higher the median household income the more sales taxes and business taxes the County generates. A decline in median household income results in a loss of consumer purchasing power that can result in lower sales taxes generated by the County.



### Warning Trend:

**Decline in the level, or growth rate, of median household income adjusted for inflation.**

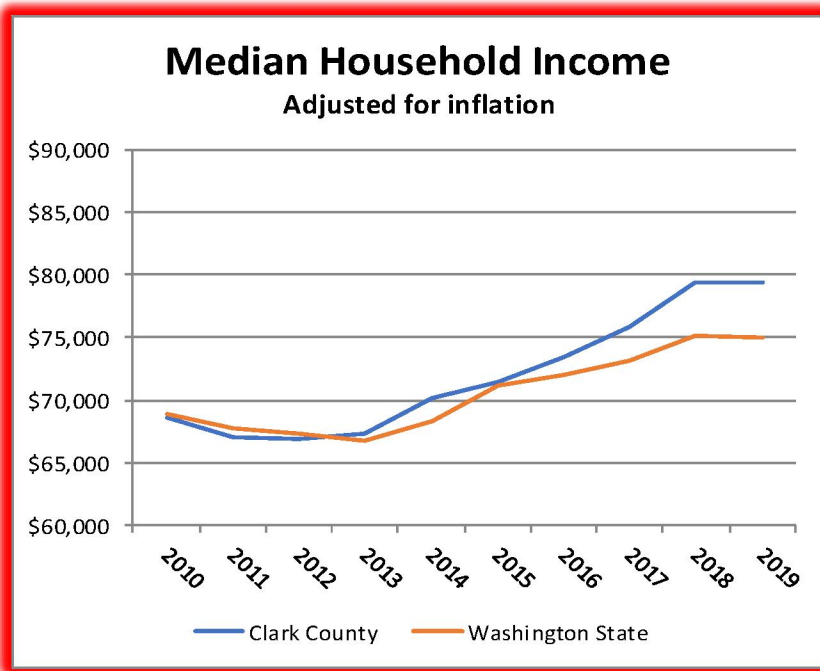
Clark County Trend: **Positive**

#### Formula:

For a geographic area, the “median” household income is determined by a standard distribution to be the income in which one-half are lower and one-half are higher.

#### Source:

Based on census, if available, or as estimated by the Washington Office of Financial management.



Median Household Income	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Clark County Median Household Income (\$)	54,581	54,951	56,054	57,852	61,711	63,639	66,782	71,922	77,458	79,399
Clark County Median Household Inc. - Adjusted (in \$)	68,525	67,071	66,872	67,332	70,130	71,440	73,395	75,877	79,425	79,399
Washington State Median Household Income (\$)	54,888	55,500	56,444	57,284	60,153	63,439	65,500	69,288	73,294	74,992
Washington State Median Household Income (\$) - Adjusted	68,910	67,741	67,337	66,671	68,360	71,216	71,986	73,097	75,155	74,992

## Highlights:

Nominal median household income in Clark County increased 2.5%, to \$79,399, in 2019 from \$77,458 in 2018. Due to lower unemployment, 2018 adjusted median household income in Clark County is the highest it’s been since 2010, with 2019 just a few dollars below this.

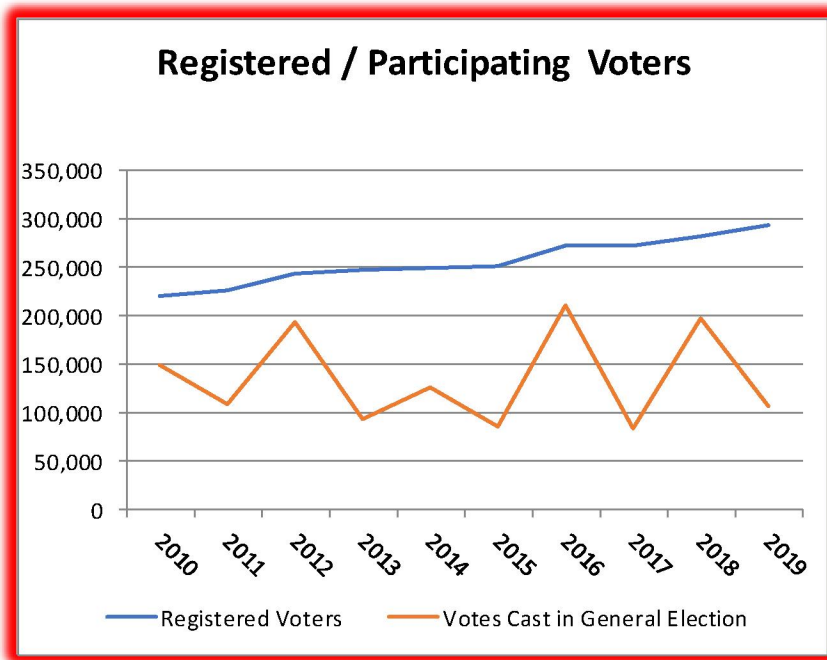
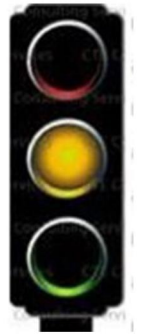
Adjusted for inflation median household incomes has increased in Clark County by 15.9% and in the State of Washington by 8.8% in the last 10 years.

Clark County median household income increased 45.5%, in nominal terms over the last 10 years. Washington State’s nominal median household income increased 36.6% over the last 10 years.

## Registered/Participating Voters

**Description:**

Electoral participation in the general election indicates that the level of engagement and interest of the community in the political process. It is usually higher in the presidential election years.



**Warning Trend:**

**Decline in the percentage of votes cast in a general election compared to total registered voters.**

Clark County Trend: **Mixed**

Formula:

$$\frac{\text{Total General Election Votes Cast}}{\text{Registered Voters in General Elections}}$$

Source:

Clark County Elections Office

Registered/Participating Voters	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Registered Voters In General Election	219,616	226,530	243,155	246,865	249,277	251,528	272,832	272,792	282,976	293,471
Votes Cast in General Election	149,045	108,877	193,502	92,863	126,243	86,080	210,760	84,258	198,055	106,044
% of Registered Voters Casting Ballots	67.9%	48.1%	79.6%	37.6%	50.6%	34.2%	77.2%	30.9%	70.0%	36.1%

## Highlights

Odd year general elections generally have lower turnout than even years, when there are national issues on the ballot. The pattern of voter participation has been slowly going down over the last 10 years with the highest turnout in the presidential elections, as illustrated in the chart above for years 2012 and 2016. The 2016 Presidential Election turnout of 70.0% was lower than 2012 (79.6%) and 2008 (85.3%).

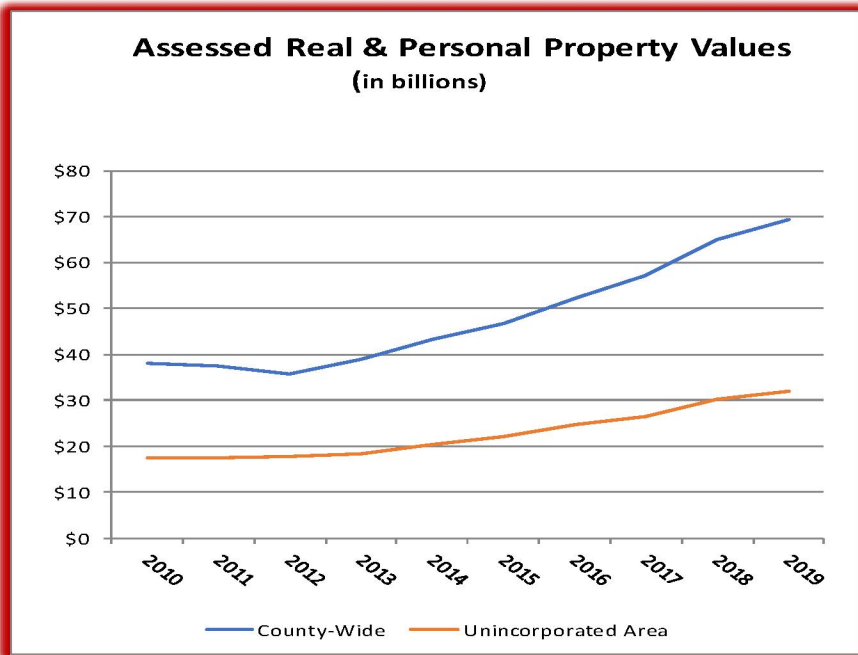
The 2019 general election participation was 36.1%, versus 2017 of 30.9%, a slight rebound for an odd year election.

In the past ten years, the number of registered voters in Clark County has increased by 33.6%,. The

## Assessed Property Values

### Description:

The valuation of all real and personal property located in Clark County as determined by the Clark County Assessor. This does not include real property owned by state and local governments, schools, fire districts, and other exempt organizations. A decline or diminished growth rate in real and personal property values may indicate a potential reduction in property tax revenues.



**Warning Trend:**  
Decline in the assessed property values.

Clark County Trend: **Positive**

Formula:

Total real and personal property tax assessments minus assessed valuations exempt from taxation.

Source:

Clark County Assessors Office

Assessed Property Values	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assess Property Values - Countywide (in \$ mil)	38,036	37,355	35,673	39,017	43,283	46,638	52,292	57,227	65,071	69,261
Assess Property Values - Unicorp County (in \$ mil)	17,543	17,533	17,707	18,262	20,275	22,132	24,808	26,446	30,272	31,929

### Highlights:

The highest County total assessed real and personal property value was \$69.3 billion in 2019, an increase of 82.1% over the year 2010 amount of \$38.0 billion. The annual increase in 2019 over 2018 was \$4.2 billion of which \$1.5 billion was new construction.

Assessed value in unincorporated Clark County increased 82.0% from 2010 to 2019, and the annual increase from 2018 to 2019 was \$1.7 billion or 5.5%.

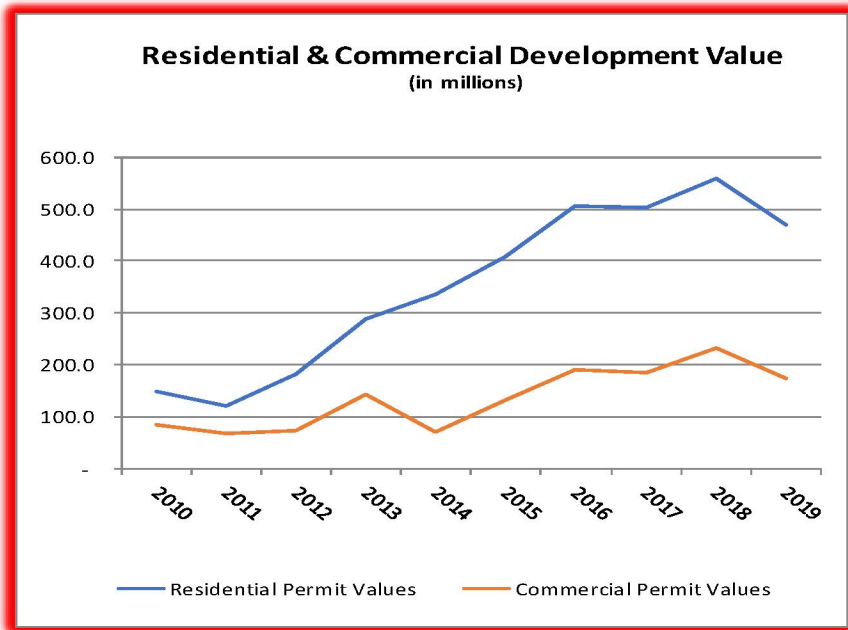
Similarly, assessed value in the incorporated cities and towns increased 82.2% from 2010 to 2019, and the annual increase from 2018 to 2019 was \$2.5 billion or 7.3%.

## Residential & Commercial Development



### Description:

Growth or decline of residential and commercial permits and the estimated value of the related residential or commercial construction is an indication of the economic vitality of the construction sector of the County's economy.



### Warning Trend:

**Decline in residential and commercial development.**

Clark County Trend: **Positive**

#### Formula:

The number and value of building permits issued by Clark County's Building & Code Division of the Department of Community Development. Includes estimated value of construction at the time of application.

#### Source:

Clark County Community Development

Development Value	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential Development Dollar Value (millions)	147.8	118.8	182.8	286.6	335.8	408.9	505.4	503.4	557.9	468.3
Residential Permits Processed	517	348	577	908	944	1,246	1,518	1,542	1,667	1,353
Commercial Development Dollar Value (millions)	84.1	67.2	72.0	142.9	69.4	130.7	190.7	185.7	232.7	172.8
Commercial Permits Processed	232	281	281	306	403	297	363	399	80	82

### Highlights:

The value of the residential permits processed increased 216.9% during the last ten years, while the number of residential permits processed increased 161.7%. The value and number of permits peaked in 2018, decreasing 16.1% and 18.8%, respectively in 2019.

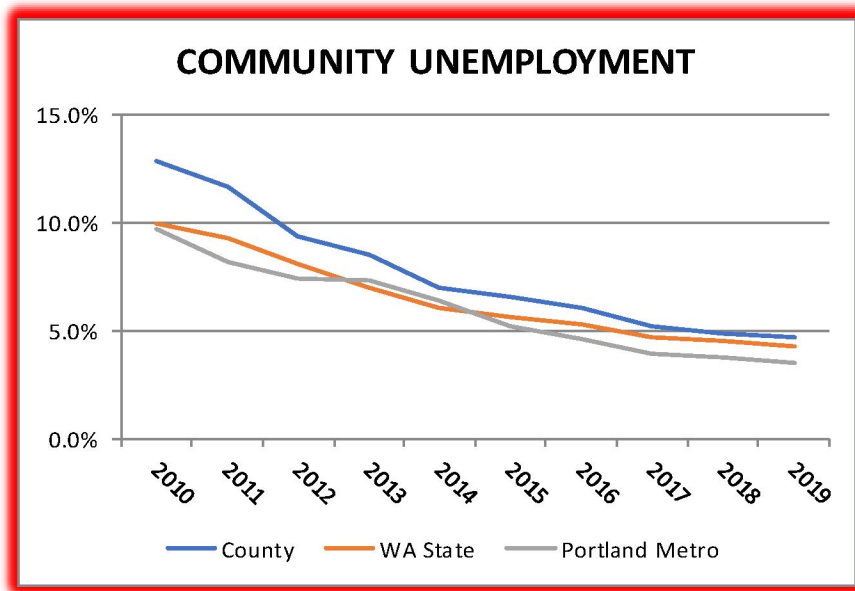
The value of commercial permits processed increased 105.4% since 2010, while the number of permits dropped from 232 to 82, resulting in larger value projects in 2018 and 2019.

During the reporting period commercial permit valuation peaked in 2018 at \$232.7 million, and dropped 25.7% in 2019.

## Community Employment

### Description:

The unemployment rate and number of jobs in the community make up the employment base. A growing employment base will help to provide a cushion against economic downturn in individual business categories. A decline in employment base can indicate the early signs of an overall decline in economic activities and a decline in government revenues.



**Warning Trend:**  
Increasing rate of local unemployment or a decrease in the number of jobs in the community

Clark County Trend: **Positive**

Formula:

Local unemployment rate and the number of jobs in Clark County.

Source:

Washington Employment Security Department and U.S. Bureau of Labor Statistics.

Community Employment	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
County Unemploy Rate (Ave Annual)	12.9%	11.7%	9.4%	8.5%	7.0%	6.6%	6.1%	5.2%	4.9%	4.7%
WA State Unemployment Rate (Ave Annual)	10.0%	9.3%	8.1%	7.0%	6.1%	5.6%	5.3%	4.7%	4.5%	4.3%
Portland Metro Unemployment Rate	9.7%	8.2%	7.4%	7.3%	6.4%	5.2%	4.6%	3.9%	3.8%	3.5%
% of County Workforce with Jobs in Clark County	69.1%	70.4%	70.8%	72.9%	74.4%	76.1%	76.1%	74.7%	75.2%	72.2%

### Highlights:

The average annual unemployment rate in the County decreased to 4.7% in 2019 from 4.9% in 2018. During these past ten years the unemployment was at its peak in 2010 coming off the “Great Recession” at 12.9%. Since then, the trend has been positive each year.

In the last ten years, the number of jobs in Clark County has increased by 31.8% from 130,300 to 171,800.

The 2019 Clark County average unemployment rate of 4.7% is higher than the State of Washington rate of 4.3% and higher than the Portland Metro unemployment rate of 3.5%.

The percentage of the County’s civilian workforce employed in Clark County has improved from 2010 (69.1%) to 2019 (72.2%).

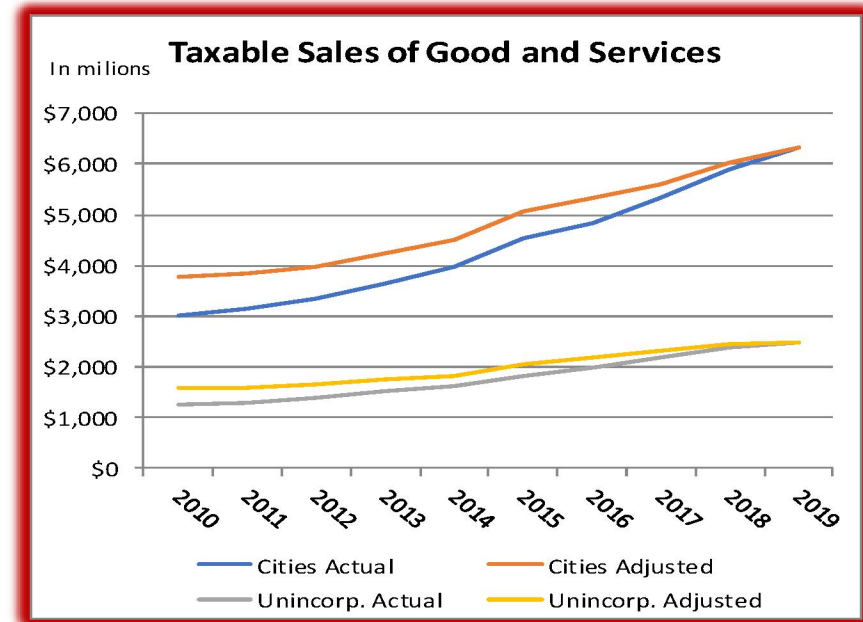


## Taxable Sales of Goods and Services



### Description:

Taxable sales are highly responsive to economic conditions and are a direct reflection of consumer confidence. When the economy is perceived to decline, confidence and disposable income trend down, which generally produces lower taxable sales and lower governmental revenues.



### Warning Trend:

**Decline in Adjusted Taxable Sales of Good and Services**

Clark County Trend: **Positive**

#### Formula:

The value of transactions involving the sale and purchase of taxable goods and services including use tax values. It excludes nontaxable transactions.

#### Source:

Washington Department of Revenue.

Taxable Sales Goods & Services	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Taxable Sales & Use Cities (in \$ millions)	3,016	3,160	3,332	3,630	3,972	4,521	4,838	5,317	5,891	6,318
Taxable Sales & Use Growth %	3.4%	4.8%	5.5%	8.9%	9.4%	13.8%	7.0%	9.9%	10.8%	7.2%
Taxable Sales & Use Unincorp. County (in \$ Millions)	1,268	1,303	1,386	1,508	1,610	1,813	1,990	2,200	2,396	2,495
Unincorporated Clark County Taxable Sales & Use Growth %	4.4%	2.8%	6.3%	8.9%	6.8%	12.6%	9.8%	10.5%	8.9%	4.1%
Use Tax as a % of Total	5.8%	6.0%	5.5%	5.2%	5.3%	5.2%	4.7%	4.2%	4.5%	3.6%

### Highlights:

In 2019 from 2018, taxable sales and uses increased 4.1% in the unincorporated areas of Clark County, and increased 7.2% in the incorporated Cities. For the ten years, the total county wide average annual growth rate taxable sales and uses has been 8.4%.

During the reporting period, taxable sales and uses adjusted for inflation peaked in 2019 at \$8.8 billion, up from 2010 adjusted sales and uses of \$5.4 billion.