Financial Trends Monitoring Report

Clark County, Washington
2003

Prepared by
Clark County Auditor's Office
Financial Services Division

proud past, promising future

CLARK COUNTY
WASHINGTON

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2003 Financial Trends Monitoring Report

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proud past, promising future
CLARK COUNTY
WASHINGTON

AUDITOR
GREG KIMSEY

November 17, 2004

Honorable Betty Sue Morris, Chair
Clark County Board of Commissioners
PO Box 5000
Vancouver, Washington

RE: Clark County Financial Trends Monitoring Report

Dear Commissioner Morris,

It is with pleasure that we present you with this report on financial trends for Clark County through December 31, 2003.

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. This report updates the 2002 Fiscal Trends report published in November of 2003.

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.

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We have provided a brief narrative following each policy statement that represents our opinion of the degree to which the County is in compliance.

FINANCIAL INDICATORS

The report presents 43 financial indicators as recommended in the Clark County Fiscal Policy Plan. The indicators are divided into six categories: Revenues, Expenditures, Operating Position, Debt Structure and Leave Liabilities, Condition of Capital Assets, and Economic Base.

At the beginning of each category, we have provided a summary of the trends in the ensuing pages. Each trend is classified as "favorable," "unfavorable," or "mixed."

A number of the trends have been impacted by the January 1, 1997, annexation by the City of Vancouver of the areas known as Cascade Park and Evergreen. This area contained approximately 55,000 residents, and the annexation significantly reduced property tax dedicated to road construction and maintenance and, to a lesser extent, sales tax. Because service provisions have also been reduced, the net direct impact of this annexation has not been significant on the overall financial condition of the County.

To a smaller extent, some trends have been impacted by the January 1, 2004 addition of the Health department to the County. The services, 148 staff, and $19 million in health dedicated revenues were transferred from the Health District, a multi-County independent organization, on that date.

A summary of the 43 trends reveals the following:

- Thirty two of the indicators were judged "favorable". These ratings are found throughout the six categories, but are predominant in considering the County's revenue structure, expenditures, and condition of capital assets. Although the rate of growth in property taxes has slowed with the effect of voter initiatives, the continued strong growth in new construction continues to reflect a favorable rating. With few exceptions, fund balances continue to be at adequate levels.

- Ten indicators were labeled "mixed". This category was assigned if only a portion of the indicator was unfavorable, or if there is a trend showing the indicator moving in an unfavorable direction.

  Employee medical benefit costs continue to rise, faster than inflation, and the trend is not likely to change in the next few years. This is an area that the County will need to continue to review, in an effort to control costs.

  The Road Fund’s ending fund balance in 2003, at three million dollars, registers a significant decrease from 1997, when the balance was $15.3 million. A three year decline in fund balance reversed course in 2001, due to a one-time revenue source, but 2002 and 2003 saw a cumulative decrease of 60%.

  The Road Fund's liquid assets (net of cash, short term investments, due to/from other funds, vouchers payable, and warrants payable) decreased five out of the last six

consecutive years, as expenditures have outpaced revenues. The fund was placed on a line of credit for short-term cash flow needs in 2000 and again (for part of the year) in 2001. Public Works Trust Fund Loans acquired in 2001 and 2002 replaced the need for the line of credit in 2002, however the Road Fund was again on the line of credit in 2003.

In the Building & Code Fund, operating revenues were again less than expenditures in 2003 (this has been true for five out of the last six years). However, an operating transfer-in from the General Fund for $2.25 million improved the year end deficit ($741,839) in 2003 from 2002 (which had an ending deficit of $1,629,603).

Short-term debt received a mixed rating reflecting continued borrowing for several funds. The major changes in 2003 are:

- an increase in Fair fund borrowings from $479,000 in 2001 to $875,000 in 2003
- a doubling of the Central Services (Facilities) Fund borrowing from $1.2 million at December 31, 2002, to $2.7 million at the end of 2003
- the Road Fund using the line of credit at the end of 2003 (for $956,000) for the first time since 2000
- a decrease in the Building & Code Fund from $1.2 million at the end of 2002 to only $36,000 at the end of 2003
- increases in borrowing by various DCS funds, in part due to breaking out programs into additional funds which takes away some funding flexibility
- the borrowing by the 911 Tax Fund of an additional $463,000 as part of a financial plan to provide for equipment replacement in the emergency dispatch center (CRESA)
- a $3 million advance from the Permanent Reserve Fund to the Building Construction Fund until long term financing is secured

Long-Term Debt reflects actions taken to address a backlog of capital needs. However debt per capita has increased from an average of $151 for the first five years of the ten years reported, to an average of $252 for the last 5 years.

Debt service costs deserve a watchful eye. Long-term debt continues to represent only a portion of what is allowed under legal limits and BOCC policy, but the trend of debt service costs is rising as the County has addressed a backlog of capital needs.

Overlapping debt per capita has increased every year since 1994, and at $2,284 per capita, has more than tripled the 1993 per capita rate of $667. Overlapping debt has increased by 59% in the last five years, cumulatively.

Although Clark County's median income is slightly higher than the state average, it has remained constant since 2000 and has not kept up with inflation. When adjusted for inflation, the median income is at its lowest level since prior to 1997.

Voter participation, as a percentage of registered voters, declined significantly in the last two local primaries (200I and 2003). At 31% in 2003, it was the lowest turnout tracked since 1988. In 2002, at a 54% turnout, the statewide election registered the lowest turnout for even-numbered years in the years tracked since 1988.

- One trend was identified as unfavorable.

  County unemployment rose to 7.7%, and was over 7% for the third year in a row. The County's unemployment rate was also higher than that of both the Portland Metropolitan Area and the State of Washington for the third year in a row.

SUMMARY

The overall financial condition of the County at the end of 2003 is healthy. Long-term operational and strategic reserves are at adequate levels, and the use of long-term debt, while growing, still remains within acceptable levels.

In the short-term, attention may need to be focused on the County Fair, Building & Code, Central Services (Facilities), and Road funds, where liquidity issues are a concern. In the long-term, two significant challenges face the County—unmet service demands and restrictions placed on the growth of revenue for local governments.

Population growth increases demand for services in the long run, including capital facilities. The increase in the County's long-term debt reflects attempts to provide necessary capital facilities, as does the increase in overlapping debt for the community as a whole. The long-term debt is reflected in "mixed" ratings in this report, but it should be noted that the backlog of capital facility needs continues to be progressively addressed.

In 1997 voters approved Referendum 47 which limited property tax increases to a measure of inflation as opposed to the previous 6% ceiling (excluding new construction). Voters approved initiative 722 in November 1999, and the Board of County Commissioners chose to limit property tax increases to those set by I-722. Initiative 747 further limits the County's ability to increase property tax revenue (excluding new construction).

The year 2003 reflects the continuing impact of these property tax limitations. Total tax revenues as a percentage of total operating revenues has fluctuated between 43% and 49% over the last eight years, but has fallen from 52.8% of total operating revenues in 1995 to 44.3% in 2003. The County has been successful in utilizing other revenue sources, but the slowdown in its rate of growth of property taxes will continue to challenge the County's ability to meet increased service demands.

Sincerely,

Greg Kimsey Clark County Auditor	John Ingram Finance Director

CLARK COUNTY FISCAL POLICIES

As of December 31, 2003

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 Appendix "A", for each year. Any indicator showing an unfavorable trend shall be analyzed to determine why the change has occurred. The County Administrator is authorized to add or delete financial indicators to reflect the needs of the County and the availability of relevant information.

This information is provided as part of this report.

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 biennial budget process, the Budget Office forecasts the General Fund in detail and major changes to this base for an additional four years. Public Works staff includes expenditure forecasts for the Road Fund as part of the six-year transportation capital construction program and Conservation Futures funds for open space acquisition.

Policy 3

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

Clark County's budget process furnishes extensive 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 BOCC 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 programs established as a local priority after taking local contributions into account.

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

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 Board of County Commissioners.

Operating activities for enterprise funds are in surplus.

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, 2003, uncollected delinquent property tax amounted to $2.0 million, which is 2.8% of the current tax levy. The percent collected has averaged 97% over the last five years.

Policy 7

Clark County management is required to comply with budgetary restrictions. A reporting system will be provided to help managers monitor and adhere to financial constraints.

The Auditor's Office monitors compliance with budgetary restrictions and provides departments with a variety of monthly reports to assist managers in 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 finances two revolving funds that provide for the maintenance, repair, and orderly replacement of heavy equipment, vehicles, and personal computers. In addition, the County has adopted long-term major maintenance programs for facilities and parks and has developed a long term plan to replace various "legacy" information systems.

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 six percent and ten percent 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 established and funded a permanent reserve fund. At December 31, 2003, the balance in this reserve fund represented approximately $6.1 million, or 5.8% of the General Fund operating expenditures and transfers.

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 of all relevant costs.

Most capital expenditures are reflected in the County's Comprehensive Plan and the Six-Year Transportation Improvement Program. 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 Budget Office. 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 Program and open space acquisition programs supporting the expenditure of Conservation Futures funds. Multi-year plans have been developed for parks as part of a package of impact fee and Real Estate Excise Tax (REET) increases adopted in 1996. Multi-year funding plans have been developed for equipment replacement at the CRCA building, law and justice capital facilities (juvenile, work release, and courthouse), and the Public Service Center.

Policy 12

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

The County Treasurer performs various cash flow analyses to determine size and duration of investments; has established and implemented a local government investment pool to maximize buying power and flexibility; and has developed investment policies and standards 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.

The County's available non-voted debt level was approximately $412 million, up from $387 million in 2002. Outstanding debt subject to this limit at the end of 2003 was $97.7 million (as compared with $94.5 million in 2002), or 23.7% of the debt limit (compared to 24.4% in 2002). Additional governmental debt, not subject to the non-voted debt limit, includes Public Works Trust Fund loans, special assessment debt, and capital leases. Total governmental long-term debt (not including proprietary funds) was $107.9 million at December 31, 2003, as compared to $100.7 at December 31, 2002.

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 2003, excluding enterprise funds, was $10.2 million, no change from 2002. Debt service paid from the Conservation Futures fund equaled 1.7% of General Fund and Conservation Futures revenue. Debt service paid from the Real Estate Excise Tax (REET) Fund equaled 1.6% of General Fund and REET revenue (down from 2.8% in 2002). Debt service paid from the 911 Tax Fund equaled 2.1% of General Fund and 911 Tax revenue. Debt service paid from the General Fund equaled 1.3% of General Fund revenue (down from 2.0% in 2002). Debt service paid from the Campus Development Fund equaled 2% of General Fund and Campus Development Fund revenue (up from 1% in 2002).

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 (including proprietary funds) had $146.7 million in outstanding long-term debt at December 31, 2003 (up from $141.7 million at December 31, 2002). Of that, $37.6 million, or 26%, is in revenue bonds.

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.

All long-term debt has been used to finance capital improvements or acquisition, or for the development of long-term plans ultimately leading to capital improvements.

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 five percent (5%) 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.

General obligation bonds issued at the end of 2003 have a life of 20 years or less, with the exception of the campus development bonds ($37 million original issue), which will be repaid over 25 years.

Revenues

This section analyzes the County's revenues by looking at cross-sections of revenue. In 2003, the Health Department was added to the County. All of the trends appear to be favorable to the County's financial position as a whole, although individual funds may have some revenue problems.

Operating Revenue Per Capita. The average five year growth rate is 7% in total revenues and 2% in adjusted operating revenues per capita. Charges for services and licenses & permits revenue show the greatest growth rates. Taxes, as a percentage of total operating revenues, have fluctuated between 43% and 49% since 1996. *Rating*: **Favorable**.

General Fund. General Fund revenue has kept up with inflation and population growth. Increases in charges for services and non-property-based taxes, as well as a healthy growth environment, and restraint in increasing expenditures, have offset property tax losses due to Referendum 47 and Initiative 747. Both measures have cumulative effects that will lead to future reductions in property tax revenue as a percentage of total revenue, once growth stabilizes. *Rating*: **Favorable**.

Road Fund. Road Fund revenue increased 9% in 2003, consistent with the average annual growth over the last five years. Revenue in 2003 exceeded all previous years other than 2001, when road grant revenues were unusually high. *Rating*: **Favorable**.

Restricted Operating Revenues. The Health Department added $18.8M in revenues in 2003, while total restricted revenues for all other funds, combined, did not change from 2002. This follows increases in eight of the nine previous years. As a percentage of total County operating revenue, restricted revenues increased from 43% in 1994 to 53% in 2003. With mental health grant revenues running $3M less than in 2002, total mental health revenues decreased by 17% in 2003, while Road Fund revenues increased by 9%. Mental Health, Road Fund, and Health Department revenues account for 67% of total restricted revenues. *Rating*: **Favorable**.

Tax Revenues. Tax revenue per capita, adjusted for inflation, decreased from $200 in 1996 to $182 in 1997, when Vancouver annexed east county. At $199, the 2003 rate was nearly back to the 1996 level. Taxes, as a percentage of total operating revenues, have decreased from 51% in 1994 to 44% in 2003. However, without the Health Department revenues in the mix, taxes (as a % of 2003 total revenues) would be 48% (as compared to 46% in 2002). *Rating*: **Favorable**.

Intergovernmental Revenues. Mental health grant receipts decreased in 2003 by $3M, while the Health Department contributed $12M in new grant revenues. Intergovernmental revenues in all other funds, combined, showed no change from 2002, resulting in an overall $9M increase. Adjusted per capita revenues were $132 in 2003 compared to $89 in 1994; however, if the Health department revenues were excluded, adjusted per capita revenues would have fallen from $120 in 2002 to $110 in 2003. *Rating*: **Favorable**.

Capital Project Revenues. Revenues in capital project funds, as a percentage of total operating revenues, have fluctuated between 7% and 9% over the past ten years. When adjusted for inflation, capital project revenues have ranged between $8.2M and $12M in the last ten years, and in 2003 were $11M. *Rating*: **Favorable**.

Licenses & Permits and Charges for Services Revenues. Licenses & permits revenue ranged between $3M and $4M from 1994 through 1999, and surged from $3.8M in 2000 to $8.8M in 2003 ($2M from the Health Department). During this same period, charges for services (fees) increased from $20M to $53M ($5M from the Health Department). As a percentage of total operating revenues, license and permits revenues have remained constant since 1994, while fee revenues have increased from 12% in 1994 to 18% in 2003. *Rating*: **Favorable.**

Enterprise Operating Revenues. Operating revenues increased by 5% in 2003, while operating expenses increased by 1%. Revenues continue to exceed expenses and are adequate to pay for current operating expenses. *Rating*: **Favorable**.

Uncollected Property Taxes. Outstanding delinquent taxes continue to be low, and current tax collection rates (96.6% over the last five years) are strong. *Rating*: **Favorable**.

General Fund Revenue Variance. General Fund revenues have averaged 2.3% above projections over the last eight accounting periods. The current bi-ennium ends in 2004. *Rating*: **Favorable**.

Operating Revenue Per Capita

Description

Taxes, licenses & permits, intergovernmental sources, charges for services, fines & forfeitures, and other miscellaneous sources. Does not include revenues from proprietary activity.

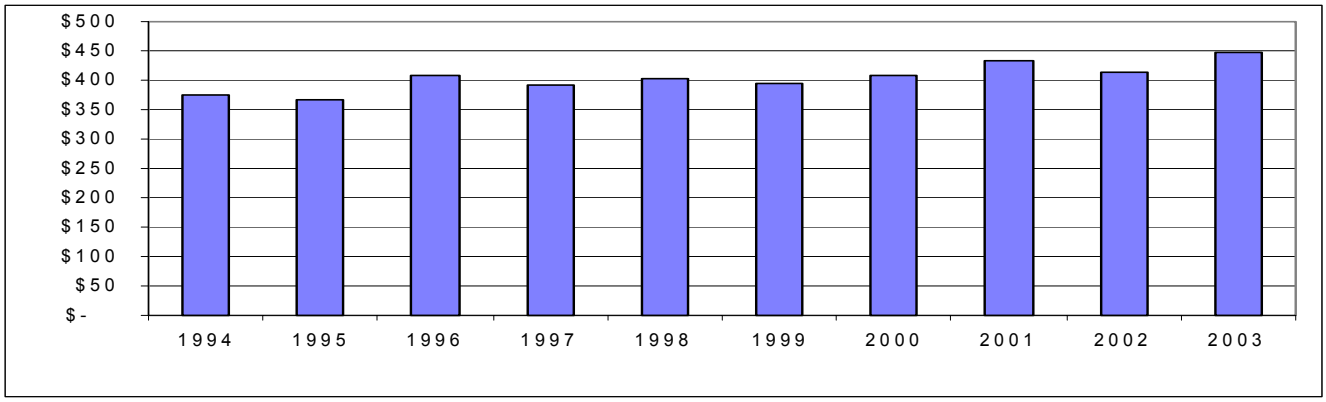
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Total Revenue / Total County Population

Operating Revenue Per Capita
(In Constant 1990 Dollars)



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total Operating Revenue (in $1,000s)	123,046	127,980	153,946	160,226	173,019	180,556	196,632	218,177	217,260	244,024
Per Capita Revenue	438	440	507	506	527	536	570	619	598	655

Analysis

The Health Department was added to the County in 2003, bringing in $18.8M in new revenues. Countywide operating revenue increased by 12.3% over 2002 levels, with 8.7% of the increase attributed to the Health Department. The average growth rate for the last five years has been 7.2% per year (4.9%, adjusted for inflation).

Licenses & permits showed the largest growth in 2003, at 63% (27% after taking out the Health Department), followed by charges for services, with a 25% growth (11% after taking out the Health Department). Intergovernmental revenues increased by 14% in 2003, due to $12M in Health Department revenues; however when taking those out of consideration, all other funds, combined, experienced a decrease of 5% in intergovermental revenues (following a 16% decrease in 2002).

As a percentage of total County revenues, taxes have fluctuated between 43% and 49% for the past eight years. This trend shows a decline of taxes from earlier years (1992 through 1995), when taxes as a percentage of total County revenues fluctuated between 51% and 53%. During the 1994-2003 time frame, charges for services increased from 12.8% to 18.1% of total revenues and intergovernmental revenues increased from 23.7% to 29.4%. Licenses & permits and fines & forfeitures, combined, continue to account for less than 6% of total County revenues.

General Fund Revenue Per Capita

Description

Taxes, licenses & permits, intergovernmental sources, charges for services, fines & forfeitures, and other miscellaneous sources from General Fund. Does not include transfers in from other funds.

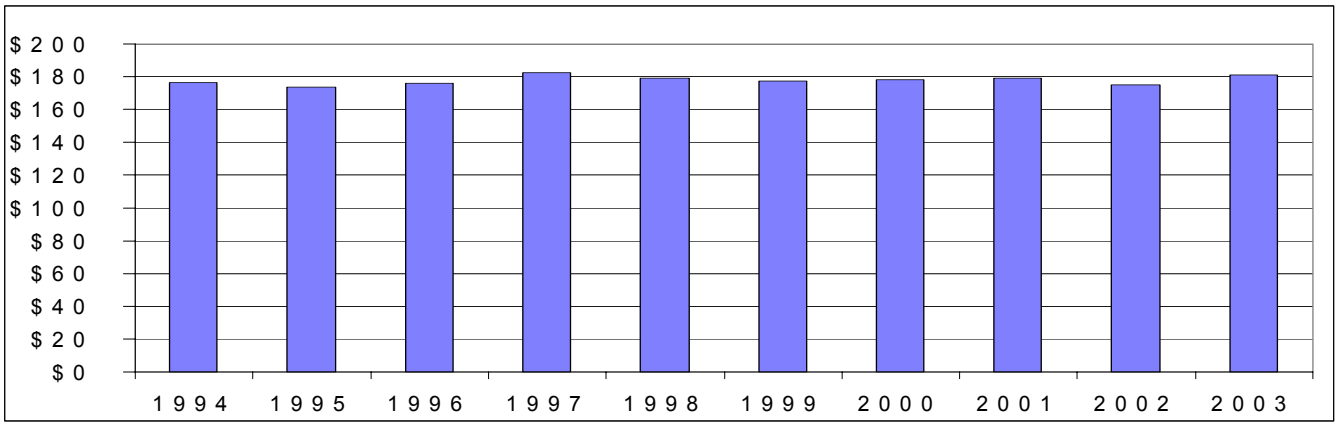
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

General Fund Revenue / Total County Population

General Fund Revenue Per Capita
(In Constant 1990 Dollars)



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total General Fund Revenue (in $1,000s)	57,806	60,808	66,453	74,439	76,979	80,997	85,952	90,418	91,760	98,448
Per Capita Revenue	206	209	219	235	235	240	249	256	253	264

Analysis

General Fund revenues per capita have increased from $206 in 1994 to $264 in 2003 (up from $253 in 2002). When adjusted for inflation, per capita general fund revenues have fluctuated over the last 10 years, ranging between $176 to $183 ($181 in 2003).

Growth in General Fund revenue, adjusted for inflation but not for population, has averaged 2.8% per year for the last five years. Much of this growth has been in charges for services (fees), which have increased 82% over the last five-years (from $8.7M in 1999 to $15.8M in 2003). Indirect and reimbursable charges have increased $2.7M since 1994 (or 81%), while auditor's recording fees increased by $1M (or 110%). The five year increase also includes $2.7M in Information Services charges to other jurisdictions, which were previously recorded in an internal service fund. Offender crew service fees and sheriff department service fees have also shown large increases in the last five years.

Licenses and permits have seen a 29% increase, taxes a 20% increase, fines & forfeitures a 17% increase, and intergovernmental revenues a 2% increase during the same five year period.

In 2003, property taxes were 44% of total General Fund revenues (compared to 43% in 2002), while taxes, in general, accounted for 66% of total General Fund Revenues (no change from 2002).

Road Fund Revenue Per Capita

Description

Taxes, licenses & permits, intergovernmental sources, charges for services, fines & forfeitures, and other miscellaneous sources from Road Fund. Excludes Public Works Trust Fund loans.

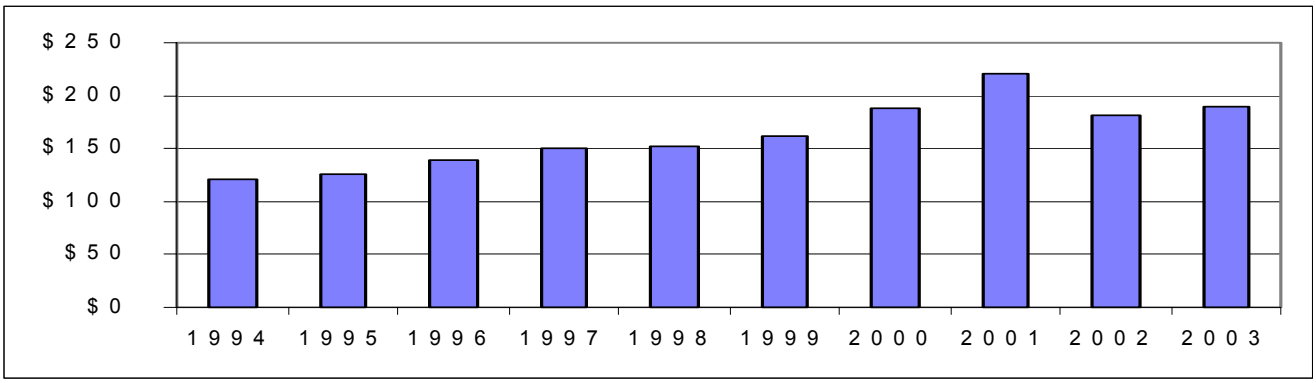
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Road Fund Revenue / Unincorporated Population

Road Fund Revenue Per Capita
(In Constant 1990 Dollars)



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total Road Fund Revenue (in $1,000s)	28,200	30,622	36,470	31,049	32,936	37,251	43,527	52,485	44,590	48,786
Per Capita Revenue	140	150	172	193	199	220	262	316	262	278
Road Fund Revenue (excluding other jurisdictions) (in $1,000s)	NA	30,103	35,724	27,217	28,472	32,619	42,649	51,369	43,665	47,473
Revenue Reimbursed from other jurisdictions (in $1,000s)	NA	519	746	3,832	4,464	4,632	878	1,116	925	1,313

Analysis

Road fund revenue increased 9.4% in 2003, from 2002, while sustaining an average increase of 9% per year over the last five years. Adjusted for inflation, the 2003 increase was 7.9%. Revenue exceeded all previous years, with the exception of 2001, when grant receipts were $9M more than any other year.

Intergovernmental revenues, at $16.3M, increased by 11% (or $1.6M) in 2003, and averaged $17.4M over the last five years.

Charges for services revenue increased from $4.7M in 2002 to $7.1M in 2003 (a 51% increase), following a 56% increase in 2002 (over 2001). The increases came from clean water services, road projects that were partially reimbursed by other jurisdictions, and reimbursement for water and sewer line construction.

Restricted Operating Revenues

Description

Revenues identified in special revenue funds that are restricted for special purposes in accordance with state statutes or local ordinances, including the Road Fund. Does not include revenue from General Fund, capital project funds, or proprietary funds. Excludes Public Works Trust Fund Loans.

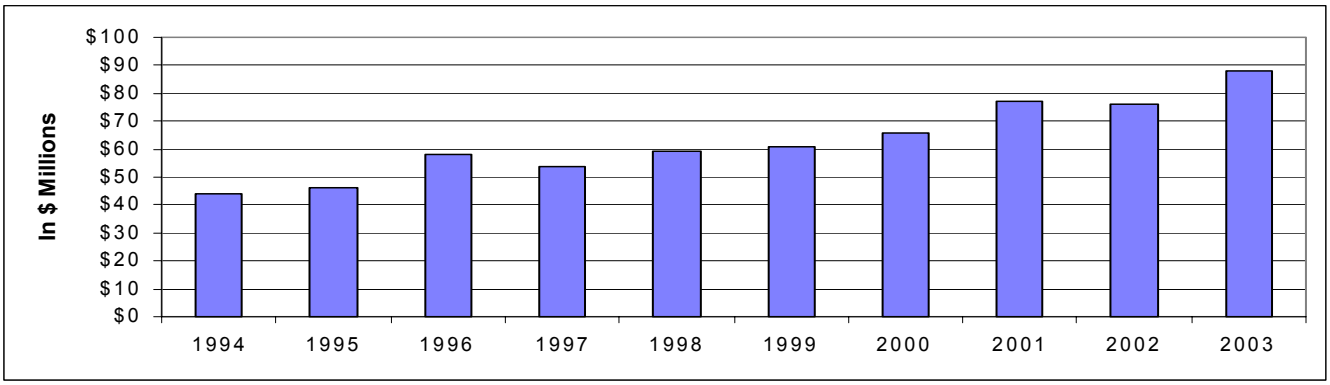
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of All Special Revenue Fund Revenues

Restricted Operating Revenues
(In Constant 1990 Dollars)



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Restricted Operating Revenue (in $1,000s)	52,206	55,472	72,512	69,952	77,924	83,227	92,880	111,496	110,227	128,996
As % of Total Operating Revenue	42.67%	43.34%	47.10%	43.66%	45.04%	46.09%	47.24%	51.10%	50.74%	52.76%
Road Fund as % of Restricted Revenue	53.71%	55.20%	50.30%	44.39%	42.27%	44.76%	46.86%	47.07%	40.45%	37.82%
Mental Health Fund as % of Restricted Revenue	8.91%	9.77%	16.86%	19.81%	20.48%	18.90%	19.30%	18.29%	20.67%	14.60%
Health Dept. Fund as % of Restricted Revenue	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	14.58%

Analysis

The Health Department (a new fund in 2003) added $18.8M in restricted operating revenues in 2003. At $129M in total, restricted operating revenues from all funds other than the Health Department, combined, remained unchanged from the $110M recorded in 2002. Adjusted for inflation, the increase in total restricted operating revenues for 2003 was 15.4%.

Restricted operating revenues in the Road Fund increased by 9.4% in 2003, and accounted for 38% of all restricted revenues. The Health Department Fund and the Mental Health Fund each accounted for 14.6% of all restricted revenues. The average growth rate per year over the last five years (including the Health Department in the 2003 rate), adjusted for inflation, is 8.5%.

The Road Fund has experienced a strong operating revenue stream in recent years, mainly due to increases in capital grants. From 1993 through 1999 the fund averaged $31M in restricted revenues per year, while the average from 2000 through 2003 was $47M. At $48.8M in 2003, the Road Fund experienced the second highest level for any one year. The Building & Code Fund showed a 23.5% increase from 2002 levels, while the Mental Health Fund experienced a 17.2% decrease.

Tax Revenue Per Capita

Description

Property, sales & use, excise, hotel/motel, and other miscellaneous taxes are included. Does not include any proprietary activity.

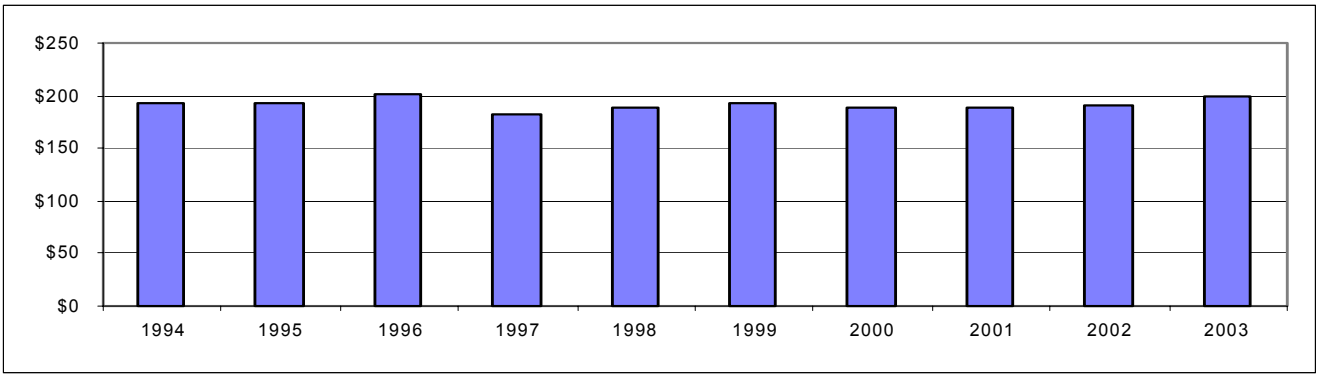
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Total Taxes / Total County Population

Tax Revenue Per Capita
(In Constant 1990 Dollars)



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Tax Revenue (in $1,000s)	63,176	67,611	75,626	74,390	81,144	87,990	91,262	94,824	100,144	108,171
Per Capita Tax Rev.	225	232	249	235	247	261	265	269	276	291
Property Tax as % of Total Tax Revenue	61.2%	63.0%	63.2%	62.4%	64.1%	65.6%	66.2%	66.2%	66.4%	65.3%

Analysis

Tax revenue per capita declined in 1997 when 55,000 east county residents were annexed into the City of Vancouver. This reduced the sales tax revenue per capita, as well as the total tax revenue for that year. In non-adjusted dollars, tax revenue in 1997 decreased 1.6%, but in 1998 tax revenues increased 9.1%.

On April 1, 1999 two new tax revenue sources were implemented. The County began collecting a 0.1% sales tax for criminal justice and an additional 2% Hotel/Motel tax was implemented. In 2002, the Board of County Commissioners extended the 0.25% real estate excise tax (REET) dedicated to parks aquisitions and improvements.

In 2003, total tax revenues grew 8%, while property tax revenues grew by 6%. Property tax revenues, adjusted for inflation, increased by 4.8%, while adjusted property tax per capita rose from $126.78 in 2002 to $129.65. Adjusted sales tax revenues increased by 5.3% in 2003, while adjusted sales tax per capita increased only slightly, from $42.2 to $43.4. Property tax accounted for 29% of total operating revenue in 2003 (down from 30.6% in 2002), while sales tax accounted for 9.7% (down slightly from 10.2% in 2002).

Intergovernmental Revenues Per Capita

Description

Intergovernmental revenues in all funds from grants and contracts with other governmental agencies. Does not include taxes, permit revenue, charges for services, or fines. Does not include revenue from proprietary funds.

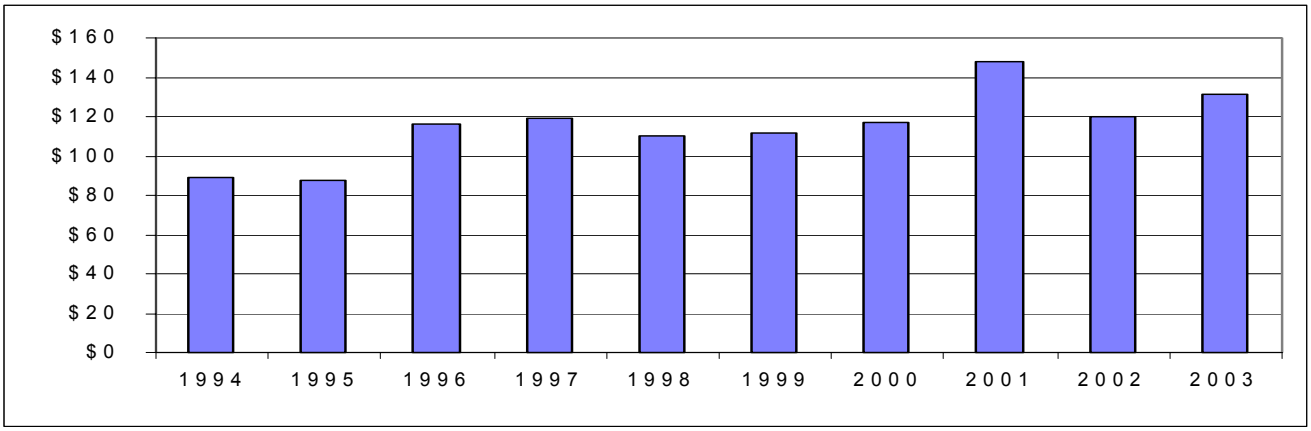
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of All Intergovernmental Revenues / Total County Population

Intergovernmental Revenues Per Capita
(In Constant 1990 Dollars)



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Intergovernmental Revenue (in $1,000s)	29,149	30,723	43,859	48,657	47,269	51,027	56,318	74,743	63,108	71,649
As % of Total Operating Revenue	23.7%	24.0%	28.5%	30.4%	27.3%	28.3%	28.6%	34.3%	29.1%	29.4%
Per Capita Revenue	104	106	145	154	144	151	163	212	174	192

Analysis

Intergovernmental revenues jumped from $31 million in 1995 to $44 million in 1996, while adjusted per capita revenues increased from $88 to $116, due to increased road capital grants and mental health grants. Road Fund capital grants fluctuate from year to year, while the Mental Health operating grants have generally shown a steadily increasing trend, until 2003, when Mental Health intergovernmental revenues decreased by nearly 15% from 2002.

The new Health Department added $11.9M in grant revenues in 2003, accounting for nearly 17% of total intergovernmental revenues. At the same time, intergovernmental revenues from other funds, combined, decreased by $3.3M (a 5% decrease) from 2002. Road Fund and General Fund intergovernmental revenues (which combined account for 38% of the total) increased by 11% and 10%, respectively, from 2002, while community service and mental health revenues (which combined account for 34% of the total) decreased by 25% and 15%, respectively.

Intergovernmental per capita revenues in 2003, adjusted for inflation, are up from 2002, due to the addition of the Health Department Fund. At $132 per capita (adjusted for inflation), the rate is higher than any year other than 2001 (when capital grants for roads were at an all-time high).

Captial Project Revenues

Description

Financing for acquisition and construction of capital projects. Primarily from REET funds and Conservation Futures. Includes taxes, impact fees, grant funding, and interest earnings. Excludes revenues in the General Fund, special revenue funds (restricted), and proprietary funds.

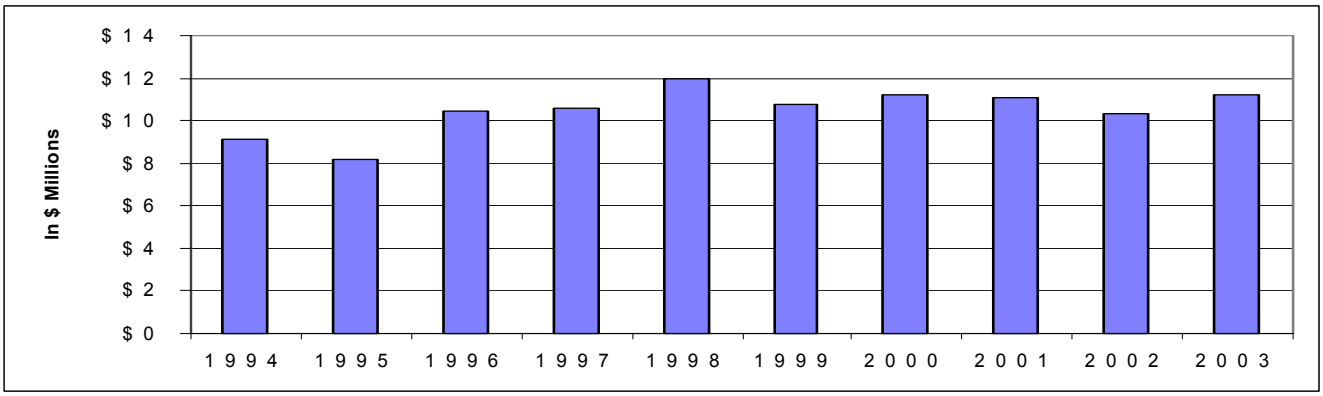
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of All Revenues in Capital Funds

Capital Project Revenues
(In Constant 1990 Dollars)



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Capital Project Revenue (in $1,000s)	10,663	9,819	13,025	13,653	15,676	14,588	15,700	15,908	14,866	16,394
Impact Fees as % of Total Capital Revenue	49.7%	42.0%	39.8%	26.5%	33.8%	35.1%	35.5%	30.3%	26.5%	30.4%
Capital Revenue as % of Total Operating Revenue	8.7%	7.7%	8.5%	8.5%	9.1%	8.1%	8.0%	7.3%	6.8%	6.7%

Analysis

Since1996, an active construction environment has resulted in consistently high capital project revenues. Total capital project revenues increased in 2003 by 10.3%, compared to 2002. Increases occured across the board, with the exception of Parks Conservation Futures, which decreased by 32% in 2003 (from $2.6M in 2002 to $1.8M). Conservation futures property tax (the fund's main and consistent source of revenue) is a set percentage of assessed property value ($0.0625 per $1,000 of assessed value) and is not limited by Referendum 47. Any significant fluctuation in the Conservation Futures Fund operating revenue is normally due to contributions/grants. In 2002, this fund received a million dollar state grant, which explains the decreased revenues in 2003, when grants were only $126,772.

The Real Estate Excise Tax (REET) and Impact Fee Funds, which together accounted for 73% of total capital project revenues in 2003, increased by 19% and 27%, respectively. REET revenue (related to the sale and purchase of homes in the unincorporated areas) doubled in 1996, with the introduction of a second 0.25% tax dedicated to parks development.

Licenses & Permits and Charges for Services Revenues

Description

Includes license & permit revenues and charges for services revenues for General Fund, special revenue funds, and capital funds. Proprietary funds are not included.

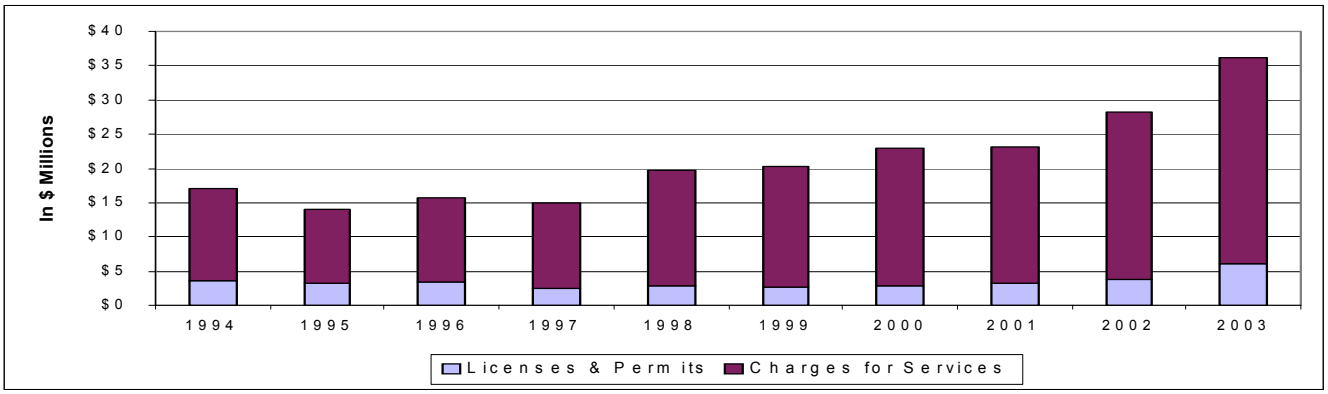
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of License & Permit and Charges for Services Revenues

License & Permit and Charges for Services Revenues
(In Constant 1990 Dollars)



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
License & Permit Revenue (in $1,000s)	4,167	3,763	4,214	3,149	3,668	3,543	3,859	4,494	5,373	8,749
Charges for Services Revenue (in $1,000s)	15,726	13,158	15,483	16,163	22,099	23,870	28,114	28,683	35,386	44,106
License & Permits and Charges for Services as % of Total Operating Revs.	16.2%	13.2%	12.8%	12.1%	14.9%	15.1%	16.3%	15.2%	18.8%	21.7%

Analysis

County Building accounted for 64% ($5.6M) of total licenses & permits revenue in 2003, while the Health Department (a new fund in 2003) accounted for 22% ($1.9M) of the 2003 total. In 2003, licenses & permits revenues increased by 63% over 2002 (36% is due to the health department). The County Building Fund had a 38% increase in 2003, while community services and General Fund experienced decreases of 22% and 10%, respectively. The change between 1994 ($4.7M) and 2003 ($8.75M) is a 110% increase. During that period, licenses & permits' share of total operating revenue increased only slightly, from 3.4% to 3.6%.

Significant growth has also occurred in charges for services (fees). There has been a 180% increase in revenues since 1994 ($15.7M in 1994 to $44.11M in 2003). In 2003, charges for services showed an $8.7M (25%) increase over 2002. The Health Department revenues accounted for $4.8M of that increase. The General Fund accounts for 36% of the revenues, with the Road Fund, County Building Fund, Development Impact Fee Fund and Health Department Fund combining for 50%. All of these funds had increased revenues in 2003 over 2002.

Enterprise Operating Revenues and Expenses

Description

Revenues from enterprise activities that generate revenues in an effort to cover some or all operating expense. Enterprise activities in the County in 2002 were Sanitary Sewer, Solid Waste, and the Clean Water Fund.

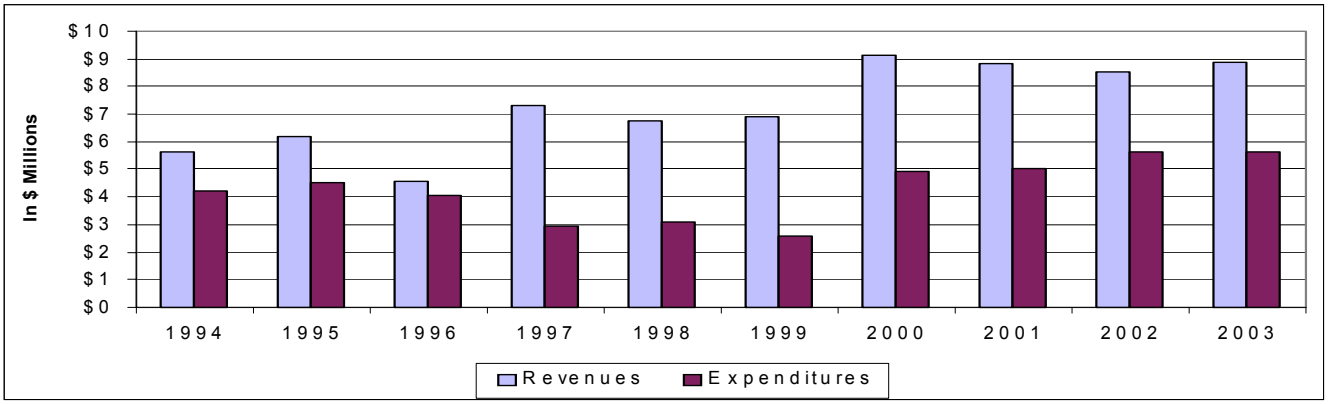
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of Enterprise Fund Operating Revenues and Expenses

Enterprise Revenues and Expenses
(In Constant 1990 Dollars)



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Operating Revenues (in $1,000s)	6,579	7,475	5,708	9,429	8,883	9,348	12,757	12,607	12,317	13,015
Operating Expenses (in $1,000s)	4,935	5,440	5,083	3,803	4,080	3,537	6,897	7,226	8,161	8,231

Analysis

Since 2000, revenues have remained fairly consistent, fluctuating between $12.3M and $13M (total revenues for 2003). Revenues have significantly outpaced expenses in each of the last ten years, with the exception of 1996, where the difference was less dramatic.

Sanitary Sewer operations are responsible for $3.5M of the $4.7M difference between revenues and expenses in 2003. Sanitary Sewer ended the year with $4.6M in unrestricted net assets; however, this is expected to decrease as costs associated with the next expansion of the treatment plant are incurred.

The Clean Water fund was established in 2000 to account for the activities related to the County's stormwater drainage systems in accordance with the Federal Clean Water Act. Operating revenues exceeded operating expenses by $1.7M in 2003. The fund ended the year with $7.4M in unrestricted net assets.

The Solid Waste Fund's operating expenses exceeded it's operating revenues by $0.5M in 2003. Professional services and other supplies expenditures in 2003 increased by $500,000 over 2002. The fund ended the year with $5.3M in unrestricted net assets

Uncollected Property Taxes

Description

The percentage of Clark County property taxes not collected in relation to taxes levied. Includes property tax for General Fund, as well as for the Road, Conservation Futures, Mental Health, Developmental Disabilities, and Veterans Assistance Funds. Does not include property taxes collected for other districts (ports, schools, fire, cities, etc.)

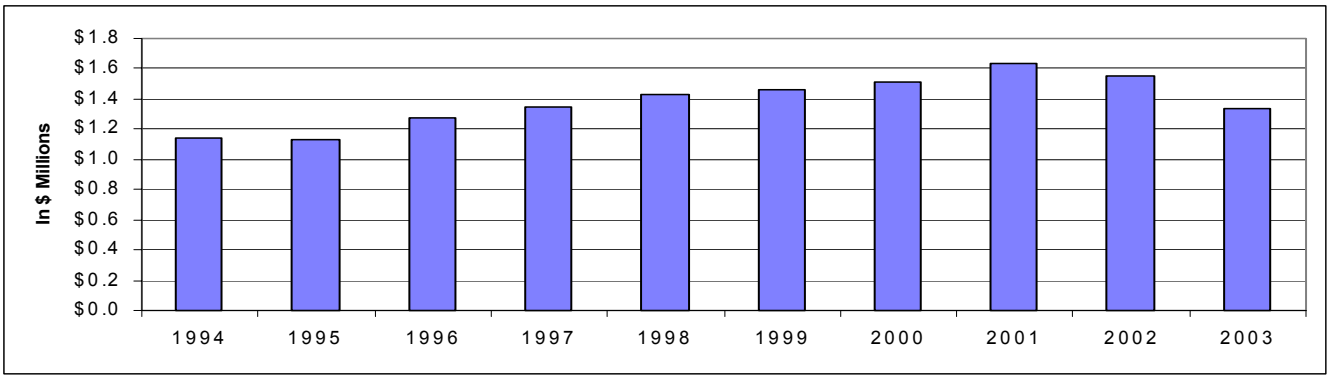
Source:

Clark County Treasurer Records

Calculation:

Uncollected Property Tax / Total Property Tax Levied

Uncollected Property Taxes
(In Constant 1990 Dollars)



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Delinquent Taxes (in $1,000s)	1,334	1,360	1,593	1,734	1,873	1,983	2,110	2,337	2,234	1,961
As % of Tax Levy	3.5%	3.2%	3.4%	3.3%	3.6%	3.5%	3.5%	3.7%	3.4%	2.8%

Analysis

Outstanding delinquent taxes, as a percentage of the tax levy, have been below 4% since 1992, dropping to under 3% in 2003 (for the first time since this report has been produced). Additionally, the percentage of current taxes collected has been over 94% since 1988, and stands at just under 97% in 2003.

Increases in delinquent taxes as a percentage of the tax levy, or decreases in percentage of current taxes collected are seen as a risk to the County's financial condition as well as a negative factor used by bond rating agencies, such as Moody's. The County is in a strong and healthy position in relation to property tax collection.

General Fund Revenue Variance

Description

A comparison of actual General Fund revenues to projected (budgeted) revenues. Does not include revenue from funds other than General Fund.

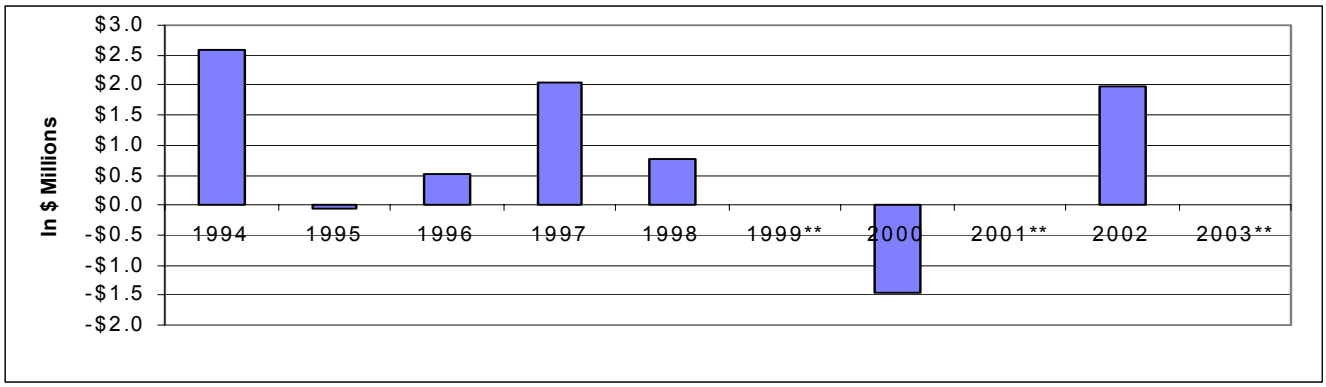
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Actual General Fund Revenue
minus Projected Revenue

General Fund Revenue Variance
(In Actual Dollars)



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Variance (in $1,000s)	3,016	(85)	641	2,639	1,003	N/A	(2,040)	N/A	2,841	N/A
% of Variance	5.5%	(0.1%)	1.0%	3.7%	1.3%	N/A	(1.2%)	N/A	1.6%	N/A

Analysis

The General Fund has had a positve revenue variance, averaging 2.3% over the last eight budgeting periods. 1999 was the first year of the County's new biennium budgeting methodology. Revenues are no longer budgeted on an annual basis, and are reported against budget only at the end of each biennium.

In 2000, General Fund revenues fell under budget when charges for services and intergovernmental (grant) revenues were less than projected. For the 2001-2002 biennium, charges for services and interest income revenues were more than budgeted, while revenue from taxes was less than budgeted.

The current bi-ennium ends in 2004, so nothing was reported in 2003.

Expenditures

This section analyzes the County's overall expenditures by looking at various cross-sections of expenditures. In 2003, the Health Department was added to the County funds, contributing a total of $16.7M in first-time expenditures. Six of the seven expenditure trends appear to be favorable, with the employee benefit costs trend rated as mixed. Although benefit costs have risen faster than inflation, they have increased only slightly as a percentage of salaries and wages.

Governmental Expenditures. As a percentage of total expenditures, general government expenditures have decreased over the last ten years, transportation and mental/physical health expenditures have increased, and law & justice expenditures have remained fairly constant. Total governmental expenditures (excludes proprietary) grew by 5.4% in 2003, less than the 8% average annual growth rate for the last five years. Adjusted for inflation, the average annual increase in expenditures over the last five years is 6%. For the same period, the average annual increase in expenditures per capita, adjusted for inflation, is 3.1%. *Rating*: **Favorable**.

General Fund. The County's general fund expenditures increased 3.8% in 2003, as compared to a five year average annual growth rate of 7%. The largest increases were in culture and recreation. Per capita expenditures, adjusted for inflation, declined by 0.06% in 2003, as compared to a five year average annual growth rate of 2%. *Rating*: **Favorable**.

Road Fund. Road capital expenditures increased by $5M in 2003 (a consequence of increased grant revenues and PWTF loan proceeds), following increases in capital outlay every year since 1997, with the exception of 2002 (when grant revenues were down). At the same time, road maintenance spending (including overlays) has remained fairly constant, even with the annexation in 1997. *Rating*: **Favorable**.

Employees per 1,000 Capita. The number of budgeted Full Time Equivalent (FTE) employees per 1,000 capita is seen as a measure of customer service as well as a check on growing too large as an organization. The number of FTE per capita in 2003 was 4.62, up from 4.23 in 2002 (the number per capita, excluding the Health Department would have been 4.22, nearly the same as in 2002). This number has remained fairly constant over the past ten years, ranging from 4.08 to 4.32 up until 2003. *Rating*: **Favorable**.

Capital Project Expenditures. Capital expenditures, excluding county roads and proprietary fund capital expenses, increased significantly on an annual basis from 1994 through 1997. In 1997, 78% of the total $27M was spent in three funds: Tri-Mountain Golf Course, 800 MHZ Communications, and Development Impact Fees. Capital expenditures fluctuated between $18M and $31M from 1998 to 2001. Of the $31M spent in 2002, $22M was for campus development. Of the $22M spent in 2003, $11M was spent on campus development, $3M on the 911 CAD system, $3M for the Pepsi Building and land, and $3M for parks. Over the last five years, 25% of capital expenditures have been spent on parks, 40% on campus development, 7% on the juvenile expansion and 7% on the jails industries work center. *Rating*: **Favorable**.

Personnel Expenditures. Personnel expenditures are the largest part of the County's budget, averaging about 39% of the County's total operating expenditures over the past five years. Personnel costs have been fairly consistent with an average increase of 7.5% per year from 1998 through 2002. With the addition of the Health Department there was a 14.9% increase in personnel expenditures in 2003 (a 6.5% increase excluding the Health Department). During the last five years, the average increase per year per capita, adjusted for inflation, is 3.3% (1.7% excluding the Health Department). The increases reflect staffing increases, cost of living adjustments, and rising costs of health insurance. *Rating*: **Favorable**.

Employee Benefit Costs. Actual benefit costs, including vacation and sick leave pay, have doubled since 1994 ($17M in 1994 to $37M in 2003; $34M excluding the Health Department), but have increased only slightly as a percentage of salary and wages over the same time period (47% in 1994 to 51% in 2003). Over the last five years, the average annual increase in benefit costs per capita, adjusted for inflation, is 5% (4%, excluding the Health Department). This trend will need watching in the future, as both insurance premiums and the employers' portion of retirement benefits is slated to increase. *Rating*: **Mixed**.

Governmental Expenditures Per Capita

Description

Expenditures of funds for government programs, including law & justice, roads & roadways, community development, parks & recreation, social services, public health, general government, capital, and debt service. Does not include internal service fund expenses, enterprise fund expenses, or interfund transfers.

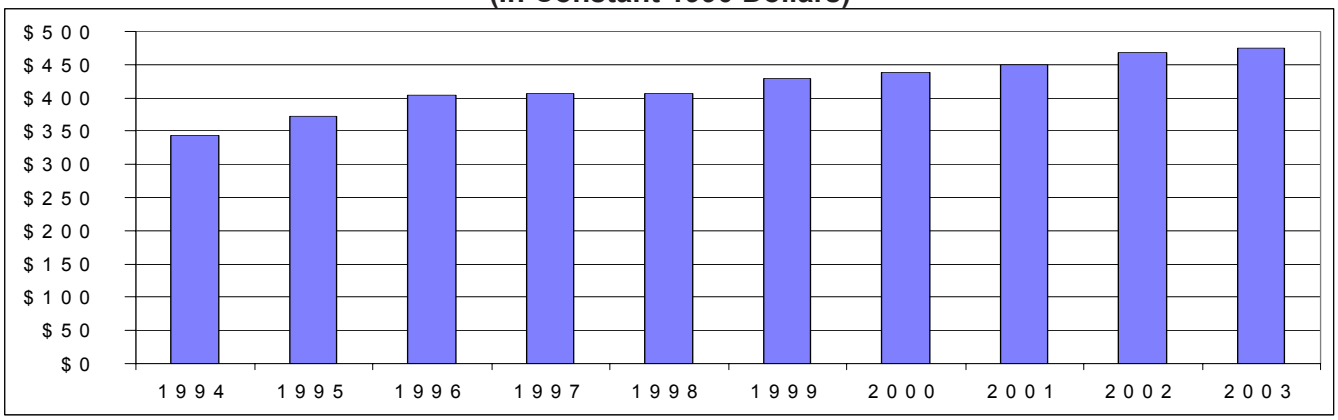
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Expenditures from all Governmental Funds / Total County Population

Government Expenditures per Capita
(In Constant 1990 Dollars)



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total Expenditures (in $1,000s)	112,705	130,048	152,629	165,506	175,001	196,148	211,127	227,015	245,385	258,594
Per Capita Expenditures	401	447	503	522	534	582	612	644	675	695

Analysis

Total governmental expenditures grew by 5.4% (or $13.2M) in 2003, less than the five year average growth rate of 8.1%. The Health Department (a new fund in 2003) added $16.7M in expenditures. Road Fund expenditures increased by 10.9% ($6M), as compared to a 9.4% increase in revenues. Public safety and culture and recreation expenditures increased by 6.5% ($3.8M), combined. Economic environment expenditures (some community services and community development activities) decreased by 18%, or $3.6M, most of which was in the Community Services Grant Fund. Capital outlay decreased by $9.5M in 2003, mostly attributed to the near completion of the Public Service Center in 2002. All other activities combined for a $0.2M decrease.

Excluding capital projects and debt service, the County's operating expenditures per capita, adjusted for inflation, increased from $301 in 1994 to $415 in 2003. Of this $114 increase, $53 comes from mental/ physical health ($31 from the health department), $39 from transportation, and $13 from public safety. General government and judicial expenditures per capita, adjusted for inflation, decreased by $8, while the remaining differences are in culture & recreation and economic environment.

In 2003, expenditures in the Campus Development Capital Fund decreased by $11.6M million (52%) from 2002. Debt service, as a percentage of total spending (4% in 2003), has fluctuated only slightly (between 4% and 4.7%) since 1997.

General Fund Expenditures Per Capita

Description

The County's General Fund expenditures, which include law & justice, parks & recreation, and general government operations, including capital and debt service. Does not include any interfund transfers.

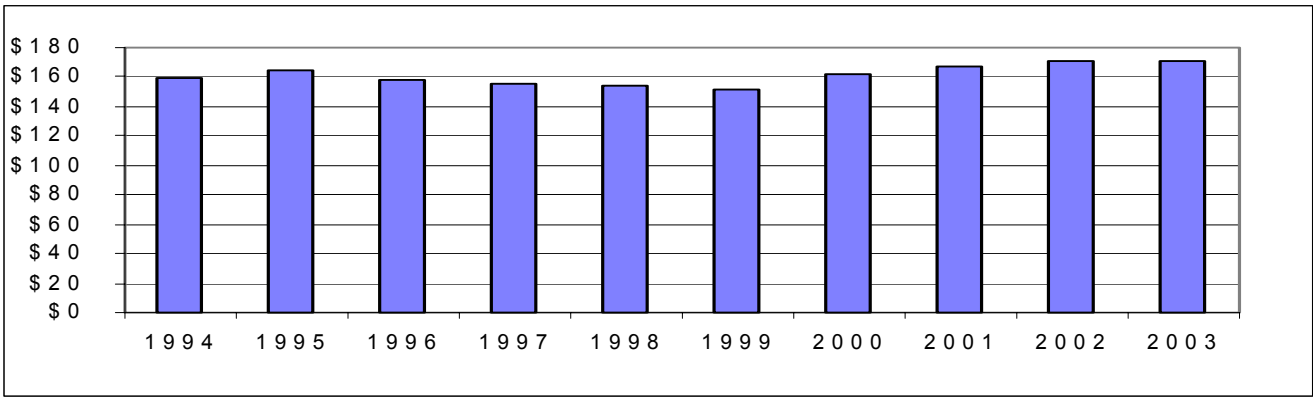
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

General Fund Expenditures/
Total County Population

General Fund Expenditures Per Capita
(In Constant 1990 Dollars)



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total General Fund Expenditures (in $1,000s)	52,202	57,383	59,754	63,288	66,275	69,392	78,206	84,352	89,691	93,109
Per Capita Expenditures	186	197	197	200	202	206	227	239	247	250

Analysis

The biggest increase in General Fund expenditures in the ten years presented came in 2000, when two programs (information services and parks operations) were transferred into the General Fund. On top of the increases for these two programs, which had operating expenditures of approximately $5.9 million, General Fund expenditures increased an additional 4% (or about $3.50 per capita) in 2000.

Actual General Fund expenditures grew by 3.8% in 2003, over 2002 (less than the 7.1% five year average growth rate), recognizing a decreased growth rate for the third year in a row. Per capita cost, adjusted for inflation, declined by 0.06% in 2003 (as compared to a 2.3% growth in 2002 over 2001).

The impacts of Referendum 47 and Initiative 747 on property taxes, along with slower sales tax growth in 2001 and 2002, (the main sources of revenue for the general fund) have contributed to the declining growth rate in General Fund expenditures. With Initiative 747 limiting the property tax increase to 1% annually without a vote of the general population and the close proximity to Oregon (where there is no sales tax), this trend may continue.

Road Expenditures Per Capita

Description

Expenditures from the County's Road Fund, including road maintenance and design and construction of new transportation projects in the unincorporated parts of the County. Also includes expenditures for work done in other jurisdictions that are reimbursed to the County.

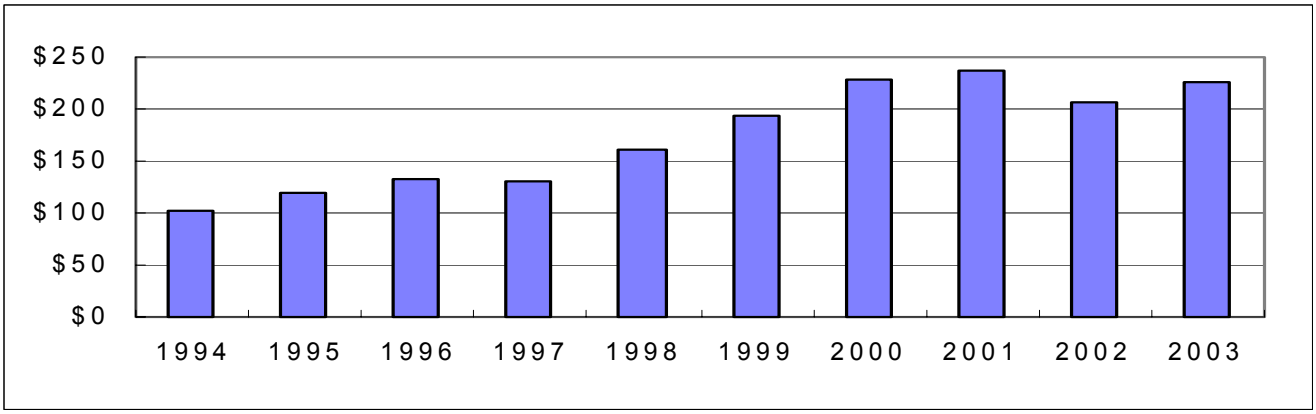
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)
Work Order /Reporting Category Analysis

Calculation:

Road Expenditures/
Unincorporated Population

Road Expenditures Per Capita
(In Constant 1990 Dollars)



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total Road Expenditures (in $1,000s)	24,005	29,822	35,823	30,797	39,495	49,189	56,424	58,080	54,272	60,464
Clark County Road Expenditures (in $1,000s)	24,005	29,302	35,077	26,965	35,031	44,557	55,546	57,775	53,159	59,351
Clark Co Capital Road Expenditures (in $1,000s)	11,770	11,225	15,708	7,666	14,739	24,835	34,951	35,709	28,564	34,891
Clark County Per Capita Capital	59	55	74	48	89	147	201	210	163	194
Clark County Per Capita Maintenance	NA	56	59	73	75	85	76	77	80	81

Analysis

As revenues dedicated to transportation projects increased between 1998 and 2001, the Public Works Department engaged in a steady increase in capital expenditures on county roads, in order to address critical transportation needs. Capital road expenditure growth averaged 51% per year between 1998 and 2001. As a result of a significant decrease in grant revenues for capital road projects in 2002 (down $11M from 2001), capital expenditures decreased by 20% during 2002. In 2003, capital road expenditures increased by $6.3M (22% increase), while road grant revenues increased only by $1.8M over 2002. During 2002 and 2003 the County received $8M in public works trust fund loans and nearly $6M in increased charges for services (including reimbursements from other entities), which helped to fund road capital projects.

In 1997 the Cascade Park/Evergreen annexation resulted in a 24.1% decrease in population in the unincorporated area of the county. In 1997 total road expenditures, for both capital and maintenance combined, fell by 16%.

Employees per 1,000 Capita

Description

Number of full-time equivalent (FTE) positions in all Clark County programs and funds, as of January 1 of each year. Does not include employees hired by independent taxing districts or agencies.

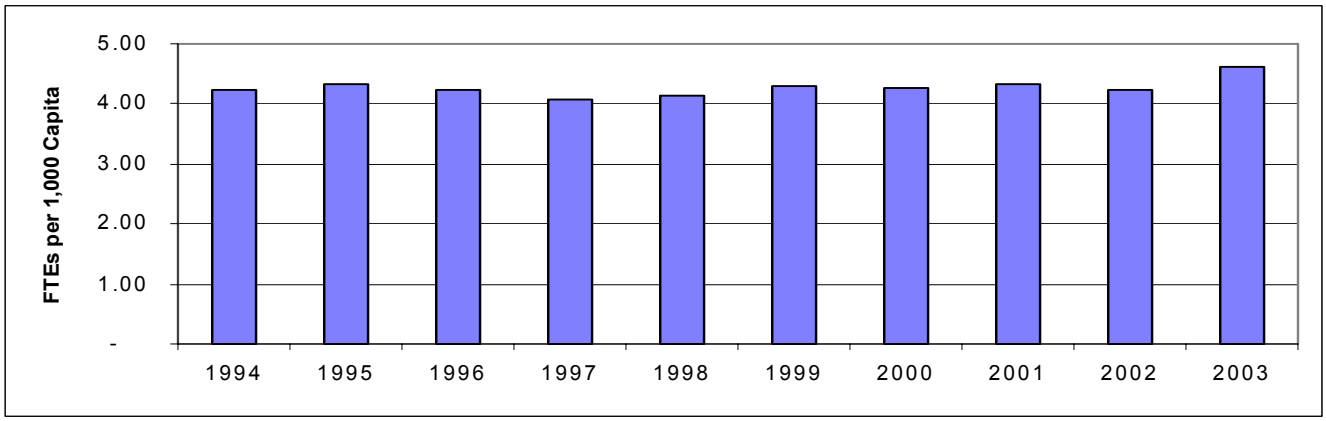
Source:

2001/2003 Budget Document

Calculation:

FTE / Total County Population

Employees (FTE) per 1,000 Capita



In Actual Numbers

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of Budgeted FTE's	1,193	1,258	1,281	1,293	1,363	1,447	1,474	1,524	1,538	1,720
FTE's per 1,000 Capita	4.25	4.32	4.22	4.08	4.15	4.29	4.27	4.33	4.23	4.62

Analysis

In 2003, there were 1,720 budgeted full-time positions in the County, 12% (or 181) more than in 2002. Of this increase, 81% of the 12% increase (or 148 employees) represent the addition of the Health Department in 2003. Law & Justice (including Sheriff, Courts, Prosecuting Attorney, Corrections, and Juvenile), which comprises the largest percentage of employees (45%), added six positions in 2003. The second largest group, Public Works (15% of total), eliminated twelve positions in 2003. General government employees, making up 10% of all employees, added five new employees. Community Development experienced the largest increase, adding 15 new positions in 2003 (a 12% increase over 2002). Community Service added five new positions in 2003, and the remaining 14 additional FTE's scattered among smaller departments. The number of employees has increased on average 4.8% annually over the last five years (a 2.7% increase, excluding the health department addition in 2003).

Over the last five years, the number of employees in Community Services increased 101%. During this same period, the number of Law & Justice employees increased 11.4%, Community Development employees increased 11.1%, Public Works employees increased 10.3%, General Government employees increased 8.8%, and employees in "other" areas, such as Facilities Management, Office of Budget and Information Services, and Human Resources, increased 32.6%. When adjusted for population, the number of FTEs per capita remained constant between 1992 and 2002, ranging from 4.1 to 4.3. With the addtion of the health department, this number rose to 4.6 in 2003.

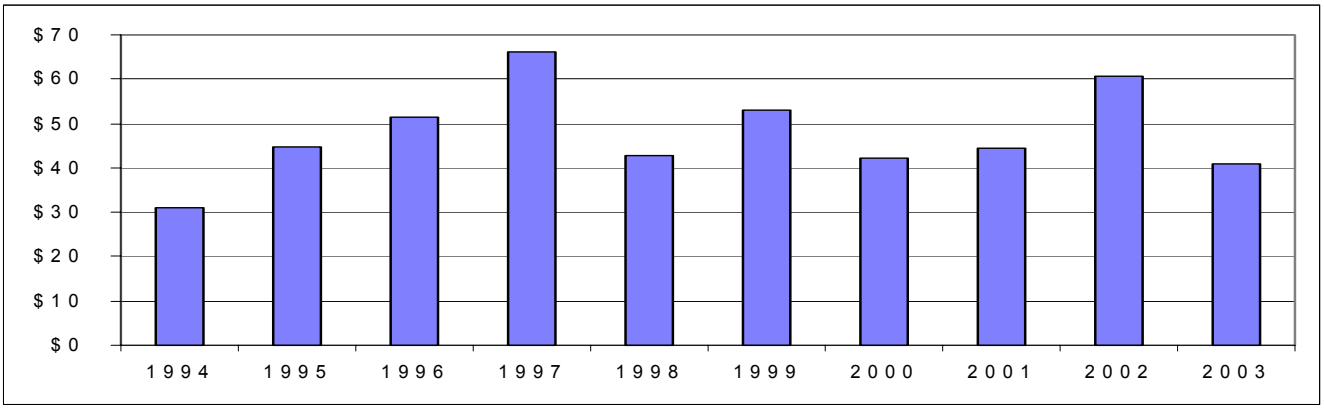
Capital Project Expenditures Per Capita

Description
Includes capital expenditures in the capital funds. Does not include capital projects in the Road Fund, enterprise funds, or internal service funds.

Source:
Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:
Capital Expenditures / Total County Population

Capital Project Expenditures Per Capita
(In Constant 1990 Dollars)



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Capital Expenditures (in $1,000s)	10,166	15,622	19,494	27,008	18,415	24,145	20,283	22,387	31,841	22,353
Per Capita Capital Expenditures	36	54	64	85	56	71	59	63	88	60

Analysis

Capital expenditures for 1994 to 1997 rose steadily as the County took measures to keep up with the demands of a growing population, much of it in the way of parks and open spaces.

In 2003, the County spent $10.6M on the campus development project, $3M on the “911” CAD replacement system, $2.9M for land and buildings to be used for sheriff’s evidence storage and for archived records storage, $2.5M for parks, and $1.2M on the new financial management system. Major capital expenditures over the last five years are shown in the table below.

Major Capital Project Spending in the Last Five Years (in million $'s)

	Campus Development	New Financial System	Parks and Open Space	Jail Work Center	Juvenile Expansion
1999	-	-	11.2	5.1	3.8
2000	2.1	-	5.7	3.0	4.7
2001	13.6	1.8	4.6	0.2	0.2
2002	22.2	1.7	2.6		-
2003	10.6	1.2	2.5		-

Personnel Expenditures

Description

Salaries, wages, employee benefits (including clothing, vehicle allowances, accrued leave, and health insurance), and employer portion of taxes and PERS (retirement). Does not include non-County employees in independent taxing districts or agencies.

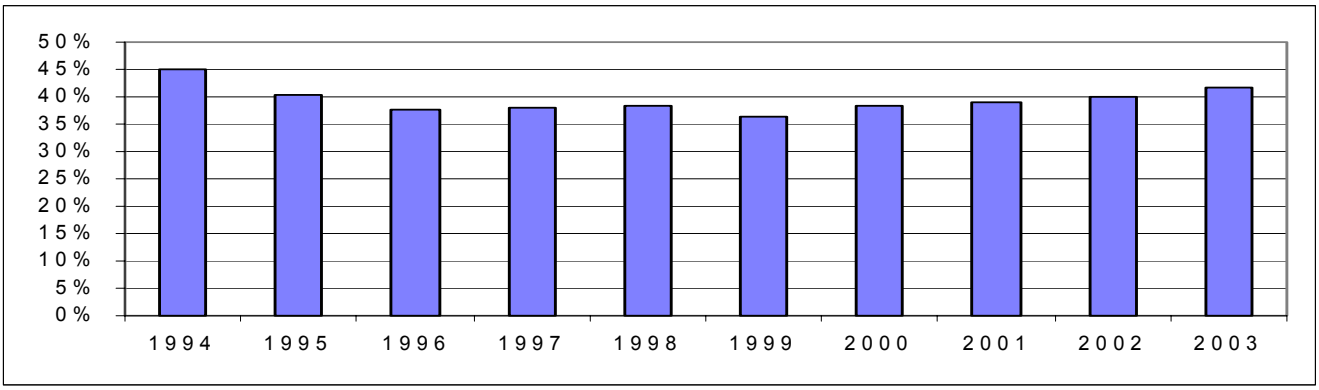
Source:

Clark County's Comprehensive Annual Financial Report (CAFR) and County Financial Records

Calculation:

Personnel costs /
Total County Operating Expenditures

Personnel Costs as Percentage of County Operating Expenditures



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total Personnel Costs (In $1,000s)	53,643	58,985	63,388	67,031	74,497	77,917	82,640	88,952	96,325	110,652
As % Of Operating Expenditures	45.0%	40.5%	37.7%	38.1%	38.4%	36.4%	38.5%	39.2%	40.0%	41.6%

Analysis

The average salary/wages per FTE has increased gradually from $30,462 in 1994 to $42,533 in 2003, at an average growth rate during that period of 4.1% per year.

The percentage of total operating expenditures spent on payroll costs went from a high point of 45% in 1994 to an average of 39.5% over the next nine years. This was partially due to increased road projects that are less labor intensive than other county expenditures, as well as increased expenditures for mental health services, which are contracted out to other organizations. In 2003 payroll costs accounted for 41.6% of total operating expenses.

Personal services per capita costs for 2003 were $297, compared to $265 in 2002 (up 12%). The Health department added $21.6 per capita, accounting for 8% of the 12% total increase.

Employee Benefit Costs

Description

Employee benefits for all Clark County employees. This includes medical insurance, leave accrual benefits, and employer's portion of payroll taxes and PERS (retirement). Does not include non - County employees in independent taxing districts or agencies.

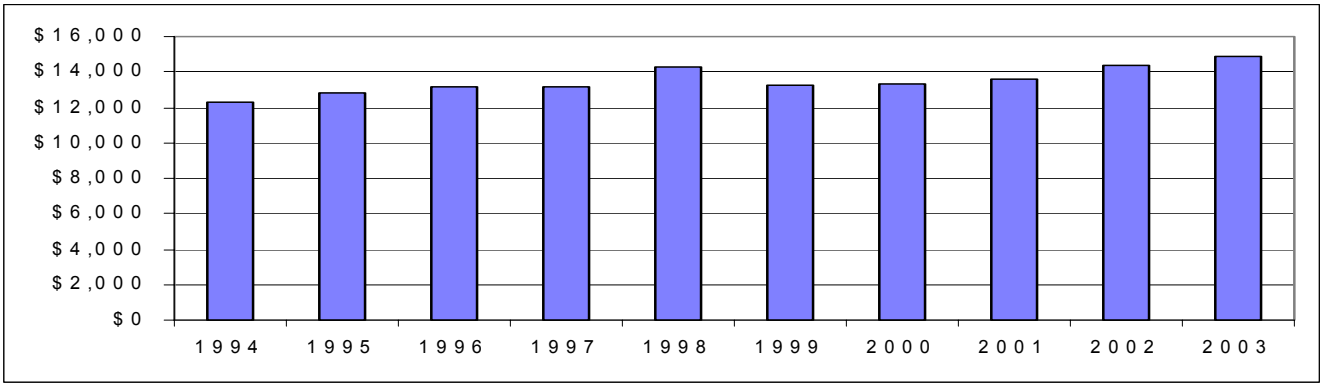
Source:

Clark County's ComprehensiveAnnual Financial Report (CAFR)
County Financial Records

Calculation:

Sum of All Employee Benefits / Total FTE

Average Benefits per FTE
(in Constant 1990 Dollars)



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total Benefit Costs (In $1,000s)	17,119	19,353	20,987	21,933	25,487	25,915	27,450	29,662	31,975	37,513
Average Benefits per FTE	14,349	15,384	16,380	16,966	18,702	17,914	18,619	19,471	20,785	21,815
Benefit Costs as % of Total Personnel Expenditures	32.0%	32.8%	33.1%	32.7%	34.2%	33.3%	33.2%	33.3%	33.2%	33.9%

Analysis

Benefit costs have steadily increased over the past several years in part due to the increased costs of medical and dental insurance offered to employees. Actual benefit costs per FTE have increased from $14,348 in 1994 to $21,815 in 2003 (an average of 5.2% annually). This increase represents a net effect of significant increases in medical costs and offsetting decreases in the employer portion of PERS over the last several years. The employers PERS contribution has decreased from 4.67% of wages in 2000 to 1.4% in 2003. It is likely that the PERS contributions will increase in the future.

Over the ten years reported, benefit costs as a percentage of total personnel costs have remained fairly constant between 32% and 34.2%, averaging 33.4% annually. In 2003, benefit costs as a percentage of total personnel costs were 33.9%.

Operating Position

The following section attempts to analyze the County's overall operating position. With the exception of a few funds, most notably the Building & Code Fund, the County appears to be in a solid operating position, especially in its other major funds. The Road Fund has seen significant decline in its fund balance since 1997.

General Fund Surplus / Deficit. The fund balance in the General Fund registered an increase of $2.4M in 2003. Over the last ten years the General Fund's annual surplus/deficit has fluctuated, to some extent, based on the Board of County Commissioners' decisions regarding whether to use available fund balance for programs in other funds or to build up General Fund fund balance. The cumulative surplus over the last ten years is $4.2M. ***Rating***: **Favorable**.

Enterprise Funds. The County's three enterprise funds (Solid Waste, Sewer, and Clean Water) have experienced solid income for the last ten years, and retained earnings growth for nine of the past ten years. ***Rating***: **Favorable**.

General Fund and Permanent Reserve Fund Balances. The General Fund's unreserved and undesignated ending fund balance has fluctuated between $5.6M and $10.9M for the past ten years. The Permanent Reserve Fund has maintained sufficient reserves to meet County financial policy regarding proper fund balances, up until 2003, when, at 5.8% of General Fund expenditures and transfers for the year, it fell slightly short of the 6% requirement. ***Rating***: **Favorable.**

Road Fund Ending Fund Balance. The Road Fund had seen significant growth in its fund balance up until 1998, when it started to decline. Fund balance has decreased four out of the last five years, and at the end of 2003, at $3M, it is lower than any of the past ten years, with the exception of 2000, when it was $2.5M. ***Rating***: **Mixed**.

Insurance Reserve Retained Earnings. Two (General Liability and Unemployment) of the County's three insurance reserve funds appear to be adequate to meet anticipated future payments and claims with a high degree of confidence. The Industrial Insurance Fund's retained earnings have declined significantly (as expenses have increased), in the last two years, to the point that funding at a higher rate may be necessary in the future. ***Rating***: **Favorable**.

General and Road Fund Liquidity. The General Fund has sufficient cash and short-term investments to provide for the funds' liquidity needs. In 2003, the Road Fund's ratio of cash and investments to liabilites was 1.1. The Road Fund has experienced short-term liquidity problems since 2000 and has had to use the County's line of credit for cash flow. This trend continued throughout 2003. ***Rating***: **Mixed**.

Building & Code Fund Liquidity. The Building & Code Fund has had liquidity problems for the past several years. The General Fund transfered additional subsidies to the Building & Code Fund in 2001 and 2002, of $1M each year. At the end of 2003, the fund's liquid assets were $0.9M less than its short-term liabilities, and its ending fund balance was a deficit of $0.74M. ***Rating***: **Mixed.**

ER&R Fund Liquidity. After several years in the late 1980s and early 1990s of having liquidity problems, the ER&R fund has sufficient cash and short-term investments to meet its liquidity needs. In all but two of the last ten years, the liquidity ratio of cash & investments to liabilities has been higher than 12.0. ***Rating***: **Favorable**.

General Fund Surplus or Deficit

Description

This consists of General Fund revenues and other resources minus General Fund expenditures and uses, on an annual basis. Interfund transfers are included. This trend represents the annual impact to the fund's ending fund balance.

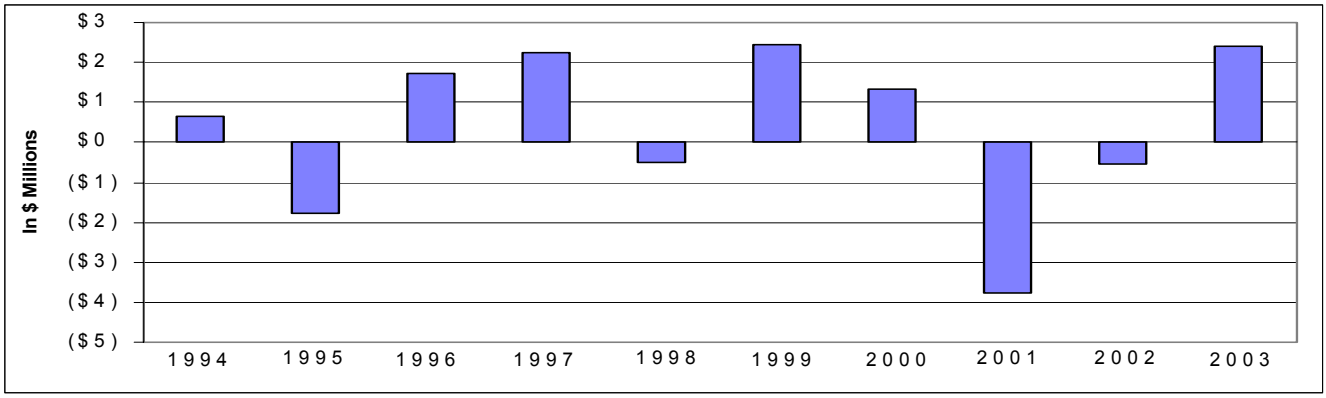
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Total Revenues and Transfers In
Total Expenses and Transfers Out

General Fund Surplus or Deficit



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Surplus or Deficit (In $1,000s)	653	(1,772)	1,723	2,233	(500)	2,432	1,314	(3,776)	(532)	2,410
As % of General Fund Revenues	1.1%	(2.9%)	2.6%	3.0%	(0.7%)	3.0%	1.5%	(4.2%)	(0.6%)	2.5%

Analysis

The past ten years have not generated any annual trends in general fund surplus or deficit. To a certain extent, the trends reflect the Board of County Commissioners' decisions to use part of fund balance to address specific needs in programs within other funds (as was the case in 2001), or to build up the fund balance. The 2003-2004 General Fund biennium adopted budget plans for a $4.7M use of fund balance (deficit). However, during 2003 the General Fund experienced a surplus of $2.4M, after a one-time only transfer-in of $2M from the General Liability Fund.

The surplus/deficit over the period tracked by this report has ranged from a deficit of $3.8M (a planned reduction in fund balance in 2001) to a surplus of $2.4M. The past ten years, cumulatively, saw the fund balance increase $4.2M. The General Fund's fund balance was $10.9M at the end of 2003.

Enterprise Funds

Description

The operating income and retained earnings of the Sanitary Sewer, Solid Waste, and Clean Water funds. Does not include other County funds.

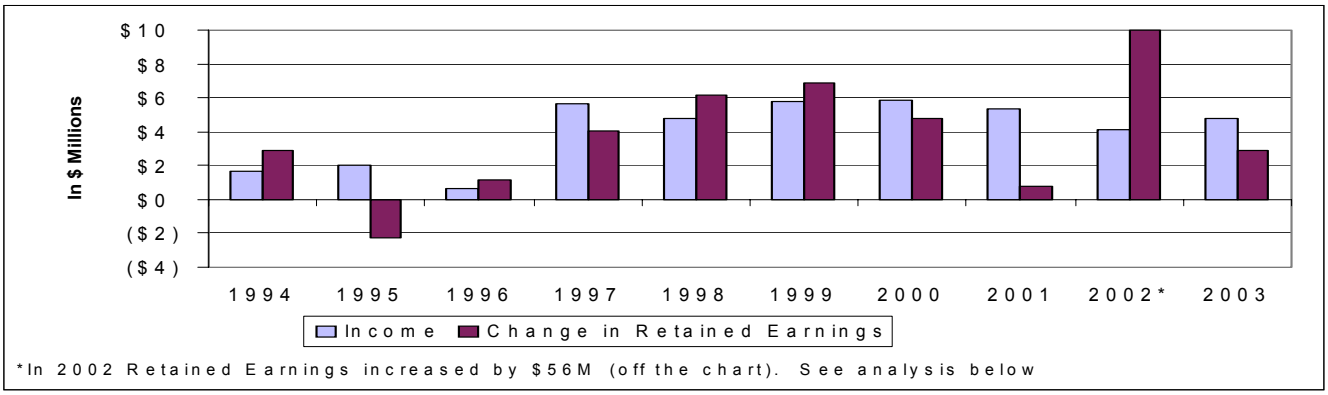
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Income = Operating Revenue – Operating Expenses
Change in Retained Earnings = Operating Income +/- Non-Operating Income/Expense +/- Transfers/Contributions/Prior Year Adjustments

Enterprise Fund Income and Change in Retained Earnings



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Income (In $1,000s)	1,644	2,034	626	5,626	4,803	5,810	5,860	5,382	4,157	4,784
Increase/(Decrease) in Retained Earnings (In $1,000s)	2,920	(2,094)	1,195	4,077	6,137	6,871	4,778	785	55,875	2,889

Analysis

In 2003, retained earnings in enterprise funds increased by $2.9M. The Clean Water Fund showed an increase in net assets of $2.6M and an unrestricted fund balance of $7.4M at the end of 2003. The Sanitary Sewer Fund showed an increase in net assets of $1M and an unrestricted fund balance of $4.6M at the end of 2003. In 2003, the Solid Waste Fund transfered $948,640 to the Campus Development Fund for LEED expenses (LEED projects demonstrate a committment to environmental sustainability), which contributed to the $0.8M decrease in net assets for the fund in 2003. The Solid Waste Fund ended the year with an unrestricted fund balance of $5.3M.

In 2002, retained earnings in enterprise funds increased by $55.9 million. Of this amount, $4.2 million is attributed to 2003 operations. Other sources/uses of funds accounted for a decrease of $1.3 million (including interfund transfers, interest income & expense, and capital contributions). The remaining amount of $53 million reflects an increase in capital assets, as a result of stormwater facilities that were added as retrospective infrastructure, in accordance with Governmental Accounting Standards Board (GASB) Statement # 34.

The increases in retained earnings seen in 1997 through 2000 fell in 2001, as the new sewer treatment plant began to be depreciated, resulting in higher expenses. In both 2002 and 2003 the County received capital contributions of nearly $800,000 per year, in the form of developer contributed stormwater facilities (which add a like amount to retained earnings for the year). This trend is likely to continue as long as development within the County continues.

Fund Balance – General Fund and Permanent Reserve

Description

The unreserved and undesignated ending fund balance for the General Fund and the Permanent Reserve Fund.

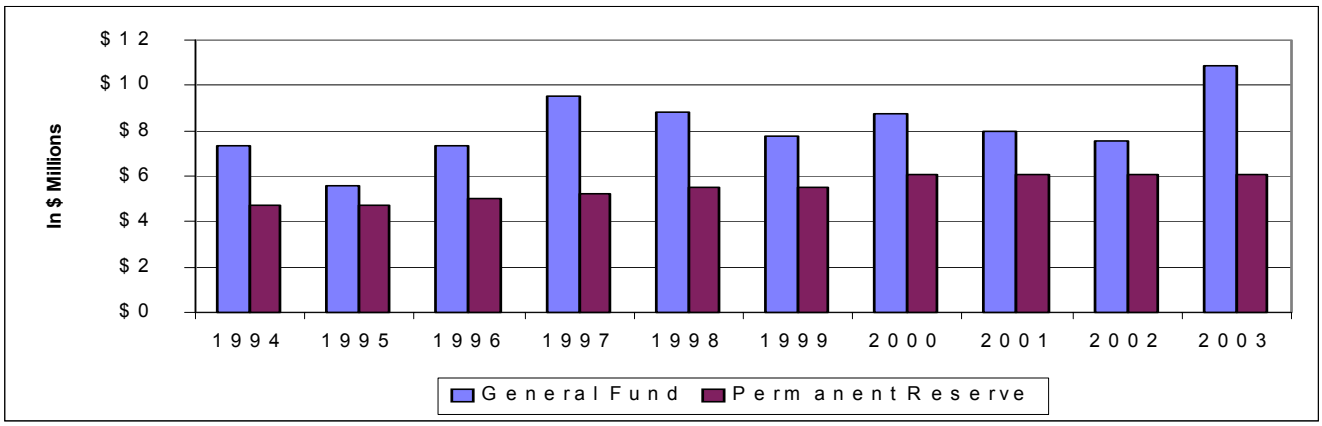
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Fund Balances as of December 31

Fund Balances



In Actual Dollars /Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General Fund Unreserved/Undesignated Fund Balance (In $1,000s)	7,366	5,594	7,317	9,549	8,805	7,769	8,788	8,002	7,586	10,876
Permanent Reserve Balance (In $1,000s)	4,748	4,748	4,998	5,248	5,498	5,498	6,084	6,084	6,084	6,084
Permanent Reserve as % of General Fund Expenses & Transfers	7.7%	7.0%	7.1%	6.9%	6.7%	6.5%	6.7%	6.0%	6.0%	5.8%

Analysis

County financial policies require that the Permanent Reserve fund balance be between 6% and 10% of General Fund expenditures. The Permanent Reserve fund hovered between 6.5% and 7.1% of General Fund operating expenditures and transfers from 1995 through 2000. In 2001 the fund balance dropped to 6% and remained there in 2002. In 2003 the percentage dropped to below the required level, at 5.8%.

The General Fund unreserved/undesignated ending fund balance has remained over $7M for every year except for 1995. It has ranged in value from a low of $5.6M in 1995 to a high of $10.9M in 2003.

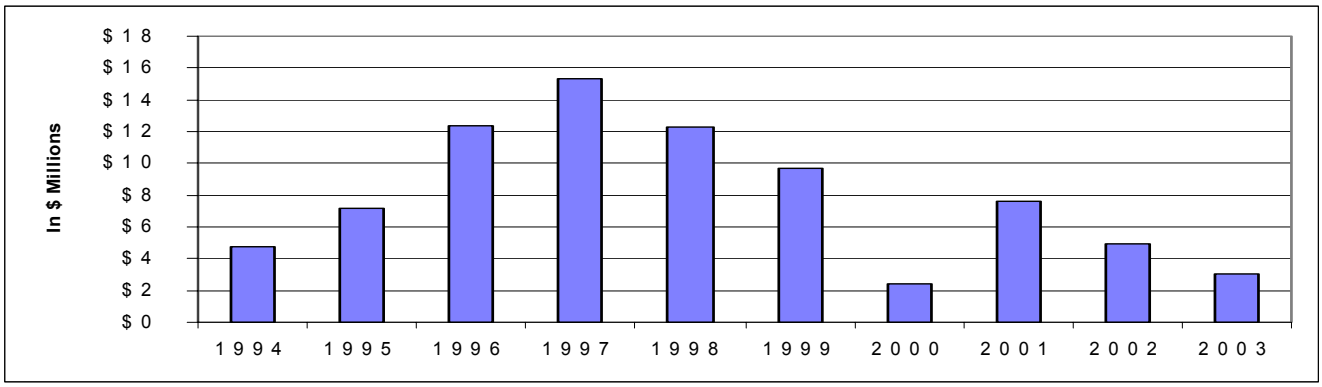
Fund Balance – Road Fund

Description
Year-end fund balance for the County Road Fund.

Source:
Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:
Fund Balance as of December 31

Fund Balance - Road Fund



In Actual Dollars /Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Road Fund Balance (In $1,000s)	4,710	7,202	12,345	15,313	12,231	9,668	2,457	7,584	4,929	3,033
As % of Operating Expenses	19.6%	25.0%	36.4%	53.6%	32.0%	20.5%	4.3%	13.1%	9.1%	5.0%

Analysis

Since 1997, the County Road fund has significantly decreased its ending fund balance. During this same period, the Road fund has increased its capital-related revenues from the State and Federal government (capital grants) and from local impact fees. The aggressive schedule of road improvement projects by the County, which relied in part on increased local funding, has caused the fund balance to decline. In 1998, fund balance dropped $3.1M, and was reduced by an addtional $2.6M in 1999. At the end of 2000, the fund balance declined by an additional $7.2M to $2.5M. In 2001, a significant increase in intergovernmental revenues (grants) in the Road Fund helped to increase the fund balance up to $7.6M. In 2002, intergovernmental revenue (grants) were nearly $12M less than in 2001. However, tax and charges for services revenues increased and expenditures decreased (as a direct result of less grant funded capital projects), resulting in a net decrease of only $2.7M for the year.

Both revenues and expenditures increased in 2003 (from 2002). Intergovernmental and charges for services revenues increased by $4M, combined. PWTF (Public Works Trust Fund) loans and sale of capital assets supplied $5.7M in funding sources in 2003. The County continued aggresively on road improvements, and the Road Fund spent $1.9M more in operations than it took in for 2003, ending the year with a $3M fund balance.

Retained Earnings – Insurance Reserves

Description

Includes year-end retained earnings for the County's self-insurance funds.

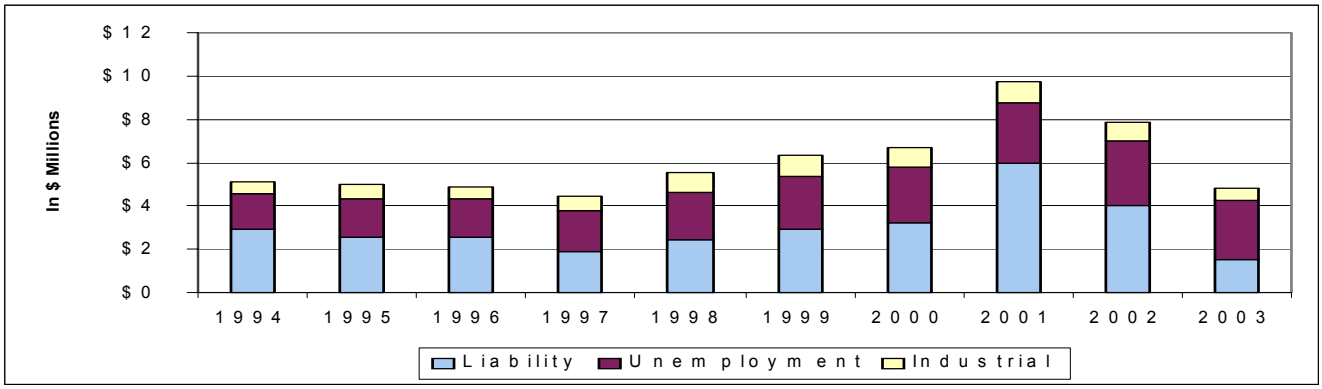
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Fund Balances as of December 31

Retained Earnings - Aggregate Insurance Reserves



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General Liability (In $1,000s)	2,945	2,553	2,582	1,886	2,417	2,934	3,235	5,960	4,022	1,508
Unemployment (In $1,000s)	1,611	1,801	1,754	1,867	2,227	2,418	2,531	2,822	2,958	2,780
Industrial (In $1,000s)	577	620	520	691	895	966	928	954	856	540

Analysis

The General Liability and the Unemployment Insurance Funds appear to be adequate to meet all future payments and claims, while retained earnings in the Industrial Insurance Fund have dropped to a point which may require an increase in future revenues, in order to keep up with expenses.

The General Liability Insurance Fund fluctuated between $1.9M and $3.2M in reserves from 1994 to 2000, and hit a ten-year high of $6M in 2001. In both 2002 and 2003, excess reserves of $2M (each year) were transferred to the General Fund, bringing retained earnings to $1.5M at December 31, 2003. In 2002, the County joined the Washington Counties Risk Pool, and nearly doubled their coverage with a $20M policy, which carries an annual premium of $269,000.

The Unemployment Insurance Fund's retained earnings increased eight out the past ten years. At $2.8M on December 31, 2003, retained earnings is adequate to cover expenses in the fund for several years.

The Industrial Insurance Fund's retained earnings have fluctuated up and down over the past ten years, from a low of $0.5M (1966) to a high of nearly $1M (1999). The last two years have seen a significant decrease in fund balance, from $954,000 in 2001 to $540,000 in 2003 (the second lowest level of the ten years reported). The drop in retained earnings is the result of an increase in the severity of workers compensation claims and increasing medical and time loss costs.

Fund Liquidity – General Fund and Road Fund

Description

Liquid assets for the General Fund and the Road Fund.

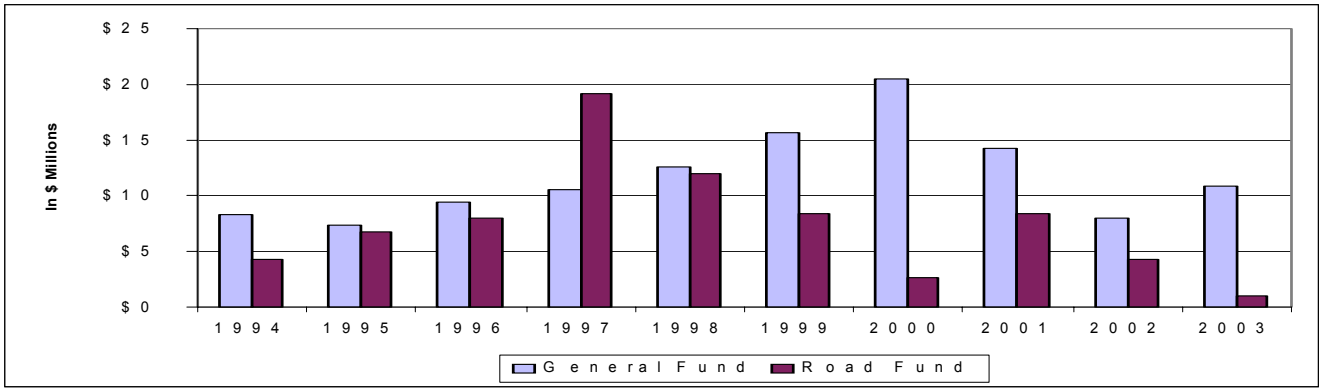
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Cash & Short-Term Investments + Amounts Due from Other Funds + Amounts Due from Other Governmments - Amounts Due to Other Funds - Vouchers & Warrants Payable

Liquid Assets



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Liquid Assets-General (In $1,000s)	8,263	7,342	9,400	10,506	12,611	15,634	20,445	14,260	7,986	10,833
Liquid Assets-Roads (In $1,000s)	4,299	6,781	7,978	19,156	11,969	8,366	2,642	8,363	4,260	1,032
Ratio - Cash & Investments to Liabilities-Gen. Fund	8.2	4.2	9.5	7.3	9.8	7.8	11.0	7.1	5.0	8.8
Ratio - Cash & Investments to Liabilities-Road Fund	2.7	2.8	7.1	15.9	6.4	2.4	0.4	1.2	2.0	1.1

Analysis

General Fund liquidity has remained healthy over the long term. The cash and investments to liabilities ratio remained over 7.0 for eight of the previous ten years. In 2002 there was a transfer of compensated balances liability (earned vacation and sick leave) to the Retirement/Benefit Reserve Fund, as result of fully implementing the new GASB #34 reporting model. This resulted in a long term liability (compensated absenses) being transformed into a short term liability (due to other funds), thus reducing the liquidity ratio to 5.0. At the end of 2003 the short term liability of compensated absences was present, however an increase of $3.5M in cash and investments brought the ratio up to 8.8.

Road fund liquidity decreased annually from 1998 through 2000, as expenditures outpaced revenues. The ratio increased in 2001 and 2002, and decreased again in 2003, bringing it to 1.1.

Fund Liquidity – Building & Code Fund

Description

Liquid assets from the Building & Code Fund.

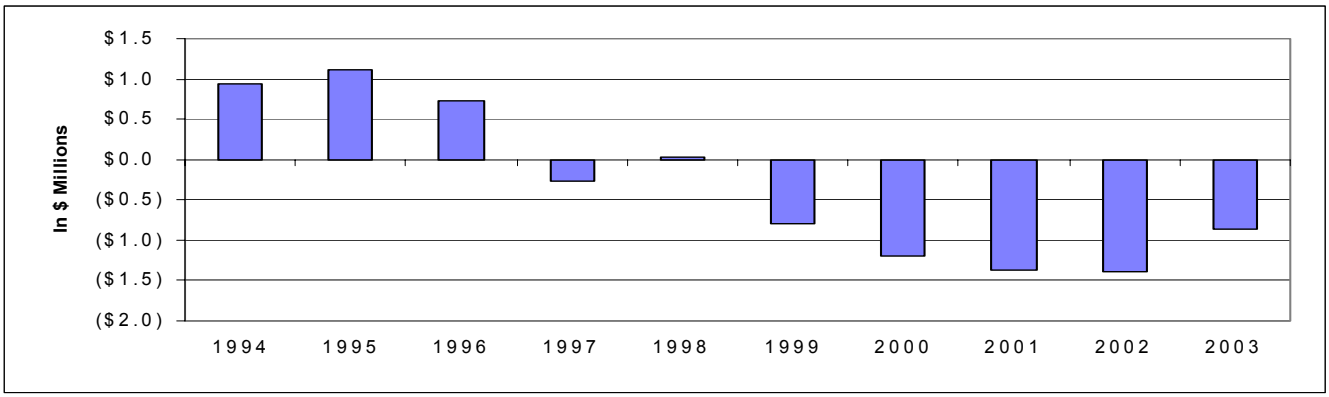
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Cash & Short-Term Investments + Amounts Due from Other Funds + Amounts Due from Other Governmments - Amounts Due to Other Funds - Vouchers & Warrants Payable

Liquid Assets



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Liquid Assets-Building & Code (In $1,000s)	942	1,121	722	(266)	34	(796)	(1,192)	(1,378)	(1,388)	(857)
Ratio - Cash & Investments to Liabilities- Building & Code	11.1	14.6	12.9	0.0	2.8	1.0	0.1	0.0	1.2	0.3

Analysis

The Building & Code Fund continues in its precarious liquidity position, with a net current liquidity position of minus $0.9M. The fund balance increased in 2003 by $887,764, ending at a deficit of $741,839. This followed an increase in 2002 of $231,658, and annual decreases between 1998 and 2001, cumulating to $3.2M over the four years.

Fees were increased significantly in 2001. In addition, $1 million was transfered in from the General Fund's fund balance in 2001, and again in 2002, as a means of addressing the negative position in the Building & Code Fund.

Fund Liquidity – ER&R Fund

Description

Liquid assets from the ER&R (equipment rental & replacement) Fund.

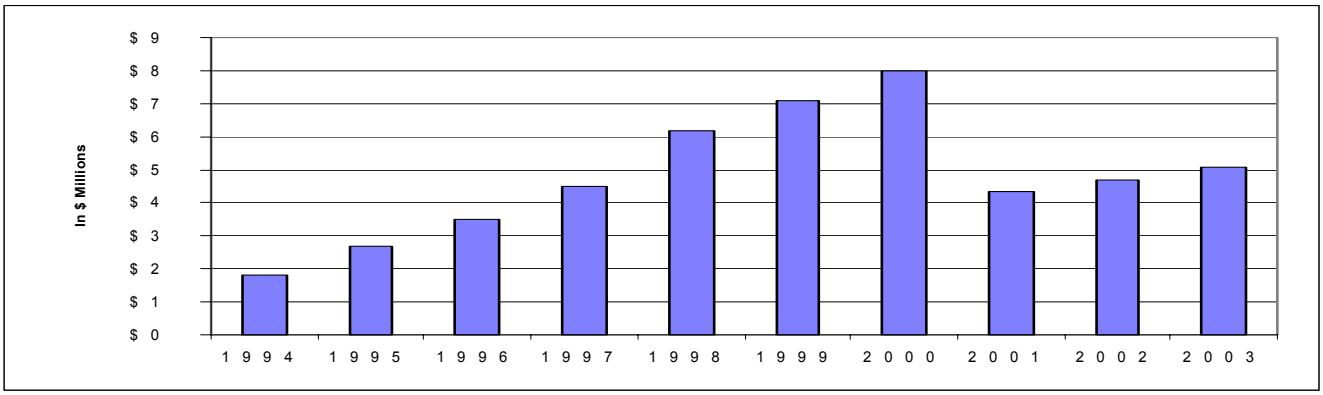
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Cash and Short-Term Investments + Amounts Due from Other Funds + Amounts Due from Other Governmments - Amounts Due to Other Funds and Vouchers & Warrants Payable

Liquid Assets



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Liquid Assets-ER&R (In $1,000s)	1,811	2,691	3,504	4,505	6,172	7,088	7,982	4,328	4,689	5,098
Ratio - Cash & Investments to Liabilities-ER&R	4.4	20.7	6.9	47.8	35.7	27.0	35.9	36.9	12.3	21.6

Analysis

The County's Equipment Rental and Replacement (ER&R) Fund experienced a nine-year trend of increased liquidity, prior to registering a decrease in 2001 that brought it to a level just below that of 1997. During 2001, $4.1M held in reserves was returned to the Road fund ($3.6M) and the General Fund ($0.5M). Operational activity in 2001 resulted in an increase in liquidity of over $400,000, and when combined with the liquidation of reserves resulted in an overall decrease of aproximately $3.7M.

Both 2002 and 2003 saw increases of liquid reserves from operations, and fund balance increased by $2.2M. Given reduced levels of inflation over the last several years, it appears that liquidity is adequate.

Debt Structure and Leave Liabilities

This section analyzes the County's overall debt structure and unfunded liabilities. The trend of the County over the last five years has been to increase debt for infrastruture and capital facility needs. This trend will likely continue. Most of the long-term debt is funded by non-General Fund sources, but this is an area that may need scrutiny in future years.

Short-Term Debt / Interfund Loans. During 2003, the County Fair Fund increased their line of credit with the General Fund by $298,145. The 911 Tax Fund increased it's short-term loan from the Real Estate Excise Tax Fund by 31% ($462,899) and the Central Services (Facilities) Fund increased their line of credit funding by $1.5M. The County Road Fund increased short-term borrowing by nearly $1M, and there was new short-term borrowing of $3M by the Building Construction Fund, pending the aquisition of long-term financing. The GIS Fund ended 2003 with $553,177 borrowed against the line of credit. The Building & Code Fund decreased their line of credit funding by $1.1M during 2003, and ended the year with only $35,653 remaining. Community Service Funds decreased their line of credit funding by $795,501 during 2003. The Clean Water Fund paid off their $882,000 interfund loan in 2003. ***Rating:*** **Mixed**.

Long-Term Debt. In 2001 the County's long-term debt obligation increased by $33.5M, primarily due to the General Obligation Bonds issued for the public service center, parking garage, and campus development. 2002 saw no net change in long-term debt. In 2003, a combination of additional Public Works Trust Fund Loans for capital road projects and new General Obligation Bonds for a variety of capital projects resulted in an increase of $7M in long-term debt. At 23.7% (a decrease from 24.4% in 2002), non-voted debt as a percentage of the legal debt limit shows a favorable condition. Net long-term debt per capita increased from $277 in 2002, to $290 in 2003, and has averaged $252 over the past five years. When compared to a per capita average of $151 for the first five years of the ten years reported, the change to the last five year average of $252 is significant. The big jumps in debt per capita came in 1998, with a $20M debt issuance to serve the Conservation Futures Fund and the General Fund, and in 2001, when $37M in bonds were issued for the new Public Service Center, the new parking garage, and down campus renovation. ***Rating:*** **Mixed**.

Debt Service Costs. Total debt service cost increased in 2003 by less than three tenths of a percent. The County has a policy that General Obligation debt service expenses may not exceed 10% of the General Fund's operating revenue and the issuing fund's operating revenues combined. In all cases, the debt service incurred by any specific fund is less than 3% of the combined revenues. Debt service has risen steadily in recent years, and although still modest, could become a factor for bond ratings on future bond issues if this trend continues. ***Rating:*** **Mixed**.

Overlapping Debt per Capita. Overlapping debt per capita increased by six percent during 2003. School Districts, Ports, Cities, and the County all increased their overlapping debt in 2003, while Fire Districts and Libraries had decreases. Total overlapping debt has increased every year since 1994, and has more than tripled during this time. At the same time, overlapping debt per capita has increased nine out of ten years, and has increased by more than two and a half times what it was in 1994. The County's overlapping debt has increased from $32M in 1994 to $98M in 2003. However, as a percentage of all overlapping debt, the County's portion has fluctuated over the years, and at 11.5% in 2003, is less than in 1994, when the County's portion was 12.9%. ***Rating:*** **Mixed**.

Paid Leave Liability. Unused vacation leave per FTE, when adjusted for inflation, has increased from $2,124 in 1994 to $2,762 in 2003. This amounts to a 30% increase over ten years. Most of this liability is funded, as vacations are expensed when earned, not when taken. ***Rating:*** **Favorable**.

Short-Term Debt

Description

Short-term debt consists of registered warrants, lines-of-credit, and other short-term financing instruments. Also included in this trend are interfund loans. Does not include bonds, anticipation notes, or trade liabilities such as vouchers payable, accrued liabilities, due to other funds, etc.

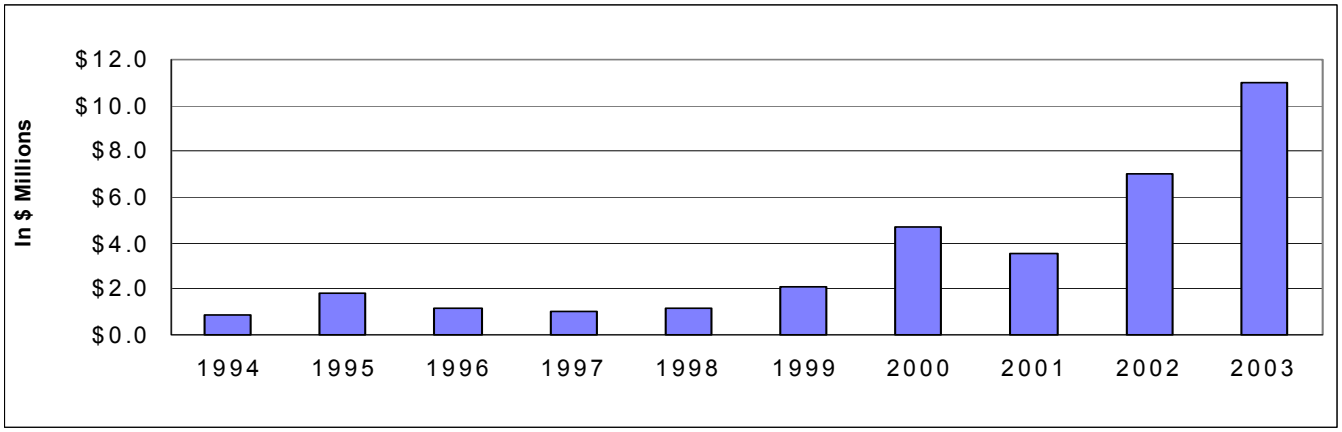
Source:

Clark County's Comprehensive Annual Financial Report (CAFR) notes

Calculation:

Total Short-Term Debt as of December 31 + Interfund Loans

Short-Term Debt / Interfund Loans



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
County Fair (in $1,000s)	837	973	935	849	632	678	484	479	577	875
Building & Code (in $1,000s)	0	0	0	0	0	302	785	1,194	1,155	36
Water Quality / Clean Water (in $1,000s)	0	0	0	157	500	1,260	1,134	1,008	882	0
County Road Fund (in $1,000s)	0	0	0	0	0	0	2,035	0	0	956
911 Tax Fund (in $1,000s)	0	0	0	0	0	0	58	865	1,512	1,975
Building Construction (in $1,000s)	0	0	0	0	0	0	0	0	0	3,000
Central Services (in $1,000s)	0	0	0	0	0	0	0	0	1,180	2,696
Other (in $1,000s)	0	870	0	0	0	157	0	0	1,674	1,441

Analysis

The County Fair's short-term debt increased by $298,145 in 2003, and is the highest it has been since 1997. Although the Building & Code Fund has had liquidity problems for several years, recent General Fund subsidies and fee increases in 2001 have greatly reduced their short-term debt. In 2003, the Clean Water Fund paid off the $882,000 loan for NPDES-related activities. CRCA Emergency Services Fund (911 Tax Fund) has borrowed from the Real Estate Excise Tax Fund for the last four years, with the amount increasing 31% in 2003 (from $1.5M to $2.0M). The County Road Fund uses the line of credit to compensate for time lags which occur between incurring expenditures and receiving intergovernmental reimbursements. Continuing liquidity problems in the Central Services (Facilities) Fund have resulted in a 29% increase in short term debt during 2003 (from $1.2M in 2002 to $2.7M in 2003). The Building Construction Fund received a $3M advance from the Permanent Reserve Fund, while financing for several projects is being secured.

The "Other" category reflects line of credit draws for the GIS Fund, the Radio ER&R Fund, and DCS funds (Department of Community Services), combined.

Long-Term Debt

Description

General obligation bonds, bond anticipation notes, special assessment bonds, installment purchase agreements, and capital lease purchases. Does not include compensated absences or judgements payable. Does not include debt from enterprise funds.

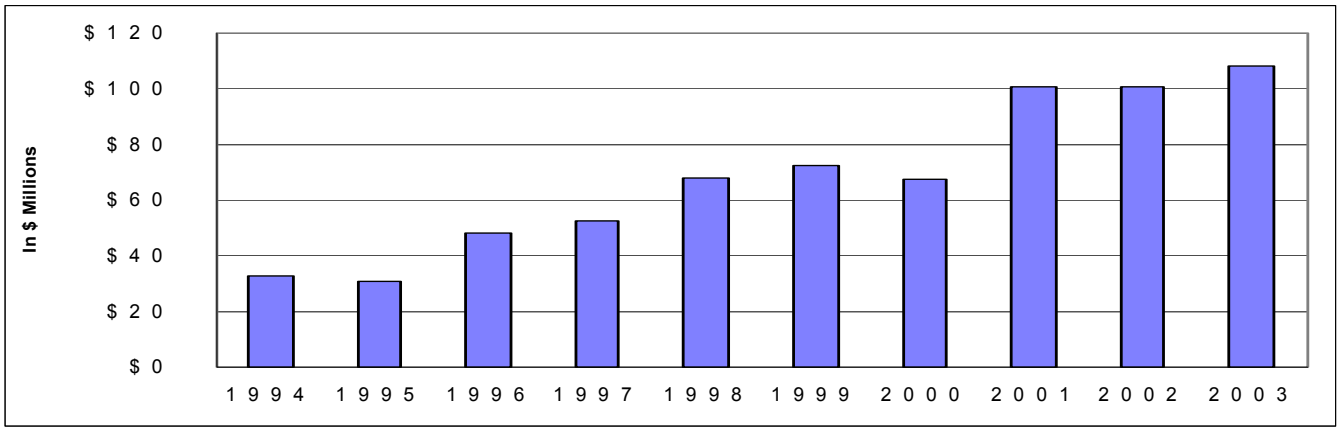
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of Long-Term Debt

Long-Term Debt



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Long-Term debt (in $1,000s)	32.7	30.9	48.0	52.7	67.8	72.3	67.6	100.6	100.7	107.9
Long-Term debt per capita	117	106	158	166	207	214	196	285	277	290
Debt subject to non-voted debt limit	28.8	27.0	44.7	49.7	65.9	71.3	67.0	99.3	94.5	97.7
Debt as % of non-voted debt limit	13.7%	11.6%	17.4%	17.5%	21.2%	21.6%	19.2%	27.3%	24.4%	23.7%

Analysis

During 2001, long-term debt increased by $33.5M, due primarily to the General Obligation Bonds issued for the public service center and campus development. Non-voted debt as a percentage of the legal debt limit rose to 27.3% in 2001, as a result of the bond issuance. As there were no major borrowings in 2002, total long term debt remained virtually the same as in 2001.

In 2003, long-term debt increased by $7.2M. The Road Fund ended the year with $4.1M in additional PWTF (Public Works Trust Fund) debt for road construction. The remainder of the increase was due to General Obligation Bonds issued to provide funding for a variety of capital projects.

Debt as a percentage of non-voted capacity decreased slightly, from 24.4% in 2002 to to 23.7% in 2003. This percentage has fluctuated between 19.2% and 27.3% in the last five years.

General long-term debt per capita increased in 2003, from $277 in 2002, to $290. It has averaged $252 over the past five years.

Debt Service Costs

Description

Expenditures for the retirement of long-term debt from governmental funds. Does not include debt retirement for special assessment bonds, tax anticipation notes, and proprietary activities.

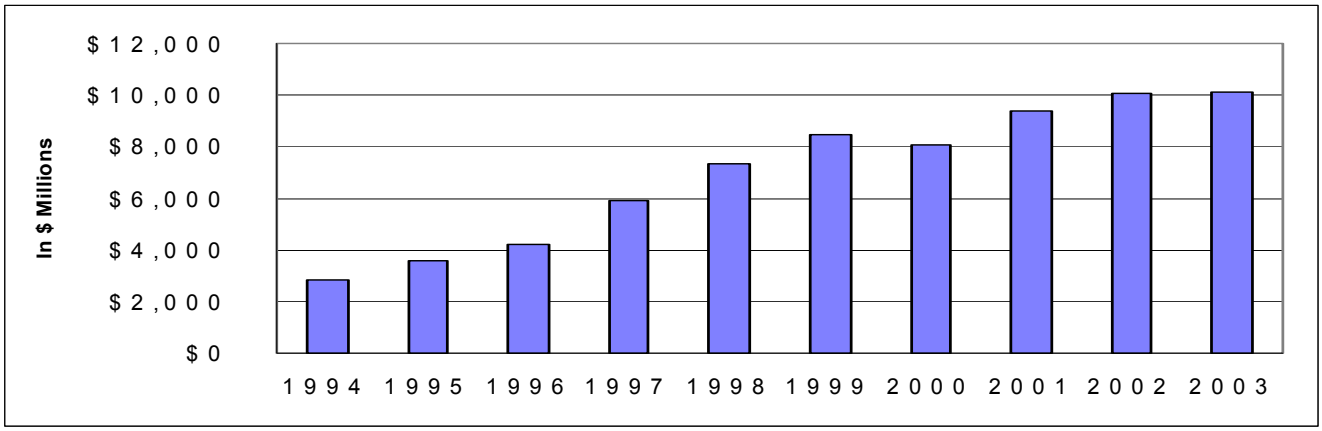
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Total Direct Debt Service Costs

Direct Debt Service



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Debt Service (in $1,000s)	2,849	3,577	4,226	5,932	7,317	8,483	8,099	9,377	10,067	10,096

Analysis

County policy 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. The funds most responsible for making debt service payments (to the debt service funds) are the General Fund, Building Construction Fund, Campus Development Fund, Real Estate Excise Tax Fund, Conservation Futures Fund, and CRCA Emergency Service Fund. As noted in the policy section at the beginning of this report, none of the debt service paid in 2003 exceeded 3% of the operating revenues of the issuing fund and the General Fund combined.

This trend has generally continued to increase annually, in the ten years shown. However, in 2000 there was a slight decline, and 2003 increased only 0.3% over 2002.

Overlapping Debt per Capita

Description

An accumulation of long-term debt evidenced by bonds and bond anticipation notes for all taxing districts in Clark County. Does not include installment contracts payable, capital leases, special assessment bonds, and long-term compensation payable.

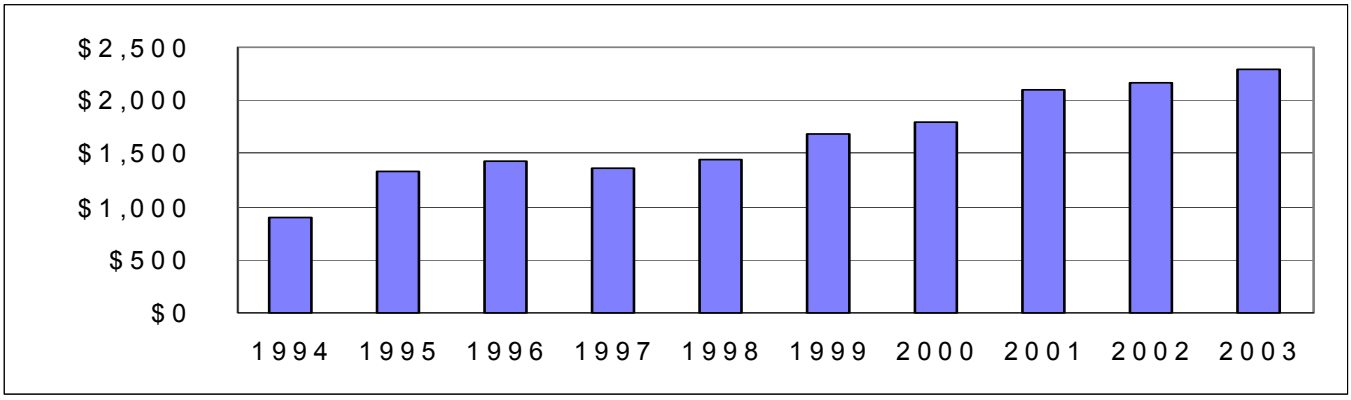
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Overlapping Debt for all Jurisdictions / County Population

Overlapping Debt per Capita



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total Overlapping Debt (in $ millions)	250.1	388.2	432.6	433.3	471.1	569.3	621.9	741.1	783.4	850.3
Overlapping Debt Per Capita	891	1,334	1,425	1,368	1,436	1,689	1,802	2,102	2,156	2,284
County Debt as % of Total Debt	12.9%	7.7%	10.9%	12.0%	14.3%	12.7%	10.9%	13.7%	12.1%	11.5%

Analysis

Fire Districts and Libraries decreased their applicable amounts of debt during 2003. Fire Districts decreased by $0.5M, or 6.4%. Libraries decreased by $1M, or 30.9%.

School Districts increased their amounts of overlapping debt by 6.3% in 2003, an increase of $34.5M. Ports Increased their overlapping debt by 20%, or $6.8M, while Cities increased theirs by 25.1%, or $23.4M. Clark County increased by $3.6M, which was a 3.9% increase.

County debt as a percentage of total overlapping debt has fluctuated between 7.7% and 14.3% over the last ten years. In 2003 County debt accounted for 11.5% of the total (down from 12.1% in 2002).

Vacation Leave Liability

Description

A calculation of the accumulated earned and unused vacation leave for all County employees. Does not include earned and unused compensatory time, holiday pay, sick leave, or other related time or benefits.

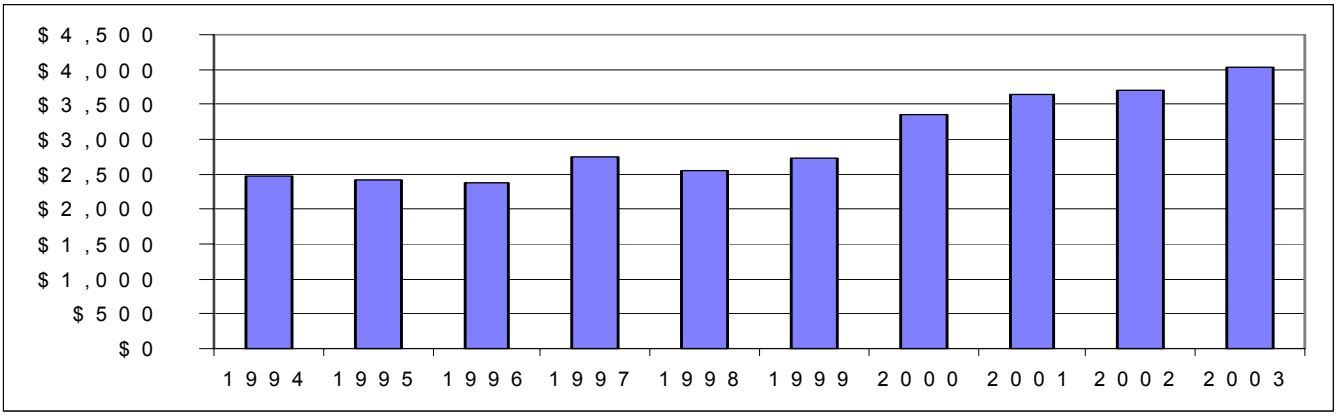
Source:

Clark County's Payroll System

Calculation:

Sum of Unused Vacation Leave Dollar Equivalents / Budgeted FTE

Unused Paid Vacation Leave Liability per FTE



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Unused vacation leave (in $1,000s)	2,962	3,037	3,049	3,540	3,471	3,949	4,937	5,546	5,681	6,949
Unused vacation leave per FTE (in $)	2,482	2,414	2,379	2,738	2,547	2,730	3,350	3,642	3,693	4,040

Analysis

Unused vacation leave liability increased significantly (by 22.3%) in 2003 over 2002. Of this increase, 7.9% is due to the addition of Health Department employees, who were absorbed into the County, along with accrued leave banks earned when they were part of the now defunct Health District.

Unused vacation leave per FTE ($4,040 in 2003, compared to $3,693 in 2002) increased by 9.4% during the year. When adjusted for inflation, unused vacation liability increased 7.8% in 2003.

Unused vacation leave has doubled in the last six years ($3.47M in 1998 to $6.95M in 2003). During the same period, unused vacation leave per FTE has increased by 59% ($2,547 in 1998 to $4,040 in 2003).

The County expenses vacation when earned, not when taken. Because of this, vacation leave liability is almost completely funded.

Condition of Capital Assets

This section attempts to analyze the condition of the County's capital assets. Capital assets include land, buildings, equipment, infrastructure (such as roads, stormwater systems, and bridges), construction projects, and other improvements. In general, the County has continued to maintain its assets at consistent levels, indicating that the County is not deferring necessary maintenance into future years. Road systems, bridges, and drainage systems are reported in the Comprehensive Annual Financial Report (CAFR) using the modified approach, which requires reporting current condition assessments and maintaining and preserving the assets at a specific condition level, in lieu of reporting continued depreciation for those assets. Capital spending also shows that the County is attempting to meet its capital facility needs.

Repair and Maintenance Costs. Actual repair and maintenance costs for County facilities (not including roads) increased gradually from 1997 to 2003, with the exception of 2001, which reported a $1M decrease from 2000. Maintenance costs as a percent of governmental capital assets have decreased annually from 19.3% in 1999 to 9.2% in 2003. This decrease is due to the fact that the County's capital facilities and equipment have nearly tripled in that same period, while repair and maintenance costs have increased by 36.7%. This ratio is likely to increase, as facilities and equipment age. Road maintenance costs have fluctuated only slightly (between $13.2M and $14.5M) over the last five years. In 2003, road maintenance costs (at $14.5M) registered a $0.3M increase over 2002. Road maintenance costs per mile, when adjusted for inflation, have averaged a 1.3% increase per year over the last five years. Rating: **Favorable**.

Funding for Capital Outlays. Road capital expenditures increased by 22% in 2003, from $23M in 2002 to $28M (reflecting an increase in grant revenues and Public Works Trust Fund Loans). Road capital expenditures for 2001 were at the highest level of the 10 years being tracked. However, these expenditures were offset by a 56% increase in intergovernmental revenues (predominantly grants) for the Road Fund in 2001. Non-road capital spending decreased by 30% in 2003 from 2002, as a result of the near-completion of the public service center and parking garage in 2002. Capital expenditures (including capital road expenditures), as a percentage of total expenditures, have averaged about 22% over the past five years. Rating: **Favorable**.

Capital Assets and Depreciation. With the full implementation of GASB Statement #34 (beginning in 2001, and fully implemented in 2003), a total cost of $620M in infrastructure, including land and construction in progress (excluding any depreciation), was added to the County's capital asset base. In addition, $45M for the public service building and downtown campus renovation and $16M for the amphitheatre (which was constructed at the county fairgrounds) were added during this three year period. As a result, total capital assets increased by 257% during this period (from $276M in 2000 to $987M in 2003). Non-depreciable proprietary assets show a permanent increase in 2002, with the addition of drainage system infrastructure, which will not be depreciated in the future, since the County has adopted the modified approach of reporting these infrastructure assets. Rating: **Favorable**.

Repair and Mantenance Costs

Description

Expenditures associated with facilities maintenance, equipment rental and revolving (ER&R), data processing ER&R, parks maintenance, and road maintenance. Does not include major capital projects, acquisitions or activity in enterprise funds.

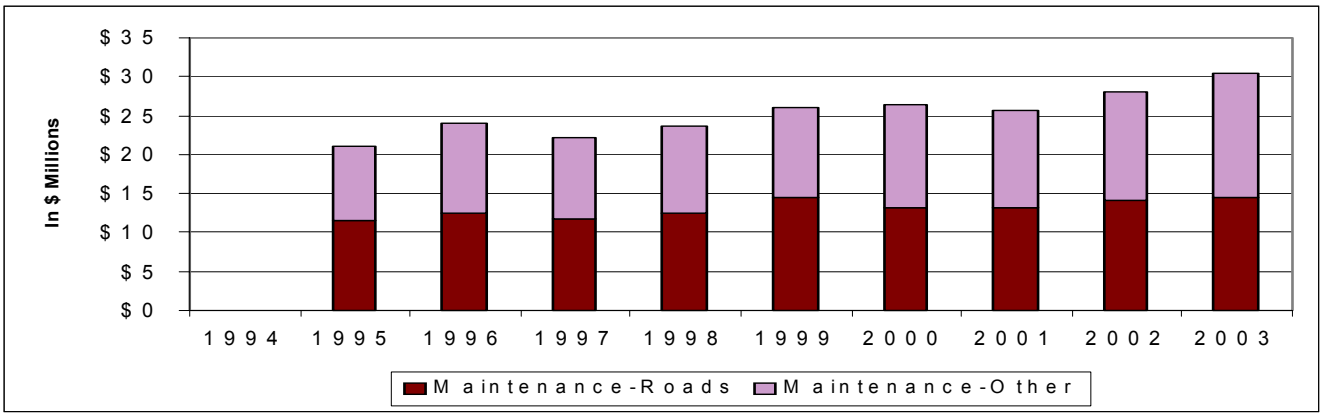
Source:

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

Calculation:

Sum of All Maintenance Expenses (Excludes Utilities)

Repair and Maintenance Costs



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Maintenance Costs- Roads, including Overlays (in $1,000s)	NA	11,453	12,501	11,806	12,448	14,452	13,209	13,194	14,137	14,484
Road Miles Maintained	1,339	1,252	1,275	1,289	1,110	1,076	1,082	1,095	1,103	1,109
Maintenance Costs- Roads, per Road Miles Maintained	NA	9,148	9,805	9,159	11,214	13,431	12,208	12,049	12,817	13,061
Maintenance Costs - Other (in $1,000s)	8,254	9,634	11,536	10,447	11,145	11,613	13,255	12,424	13,979	15,873
Maint. Costs (excl. Roads) as % of Depreciable Capital Assets	16.0%	18.0%	19.4%	17.2%	18.6%	19.3%	13.6%	12.2%	11.2%	9.2%

Analysis

Non-roads ("Other") maintenance and repair costs have fluctuated between $11.6M and $15.9M over the last five years, showing a trend upward as a result of inflationary pressure. When adjusted for inflation, non-road maintenance costs have increased 5% in the last five year period. As a percentage of the relevant capital assets (buildings, other improvements, and equipment), these costs have decreased from 19% in 1999 to 9% in 2003.

Road maintenance costs fluctuated from $11.4M to $12.5 M from 1995 through 1998. The County lost an estimated 20 percent of road inventory due to annexation in 1997, and the City of Vancouver contracted with the County's Public Works department to continue providing road maintenance on the annexed area until part way through 1999. Road maintenance costs hit a high point of $14.5M in 1999, decreased in 2000 and 2001, and increased in 2002 and 2003. At $14.5M in 2003, road maintenance costs are the same as in 1999. Overall, costs of road maintenance per mile, adjusted for inflation, have remained stable in the last several years, averaging a 1.3% increase per year for the last five years.

Funding for Capital Outlay

Description

Expenditures associated with the acquisition or construction of equipment, capital facilities, or County infrastructure in Governmental Funds. Does not include repair and maintenance activity in governmental funds, or any activity in proprietary or internal service funds.

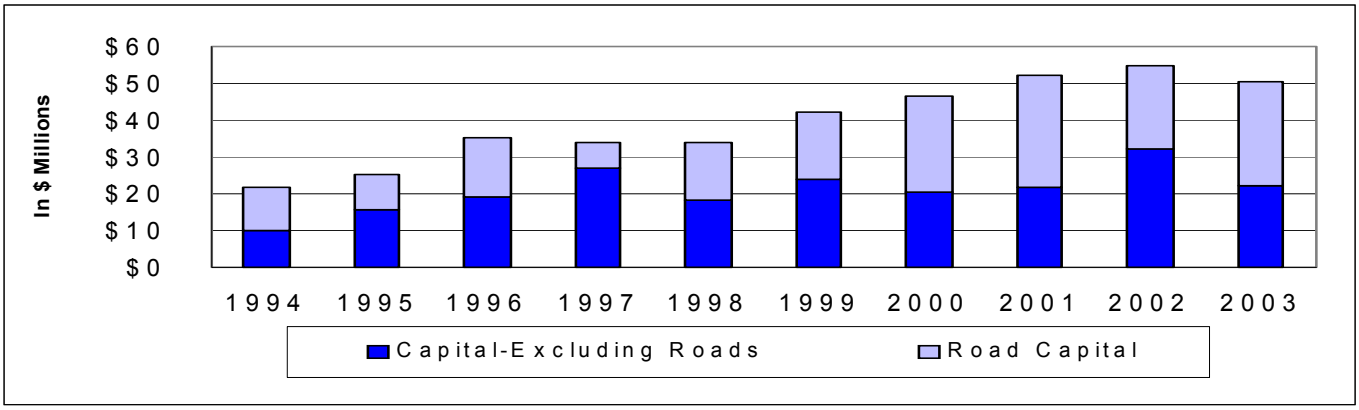
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of Capital Outlay

Funding for Capital Outlay



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Captial Projects- excl. Roads (in $1,000s)	10,166	15,622	19,217	26,779	18,216	23,924	20,218	21,950	31,841	22,276
Captial Projects- Roads (in $1,000s)	11,770	9,581	16,049	7,255	15,664	18,464	26,177	30,085	23,028	28,152
Total Capital as % of Total Expenditures	19.5%	19.4%	23.1%	20.6%	19.4%	21.6%	22.0%	22.9%	22.4%	19.5%

Analysis

At 19.5% in 2003, capital spending, as a percentage of total expenditures, is slightly lower than the five-year average of 21.7%.

In 2003, road capital expenditures increased 22% from 2002 levels, as a result of more grant funding received for the year. Road capital expenditures can be directly related to the increases in Federal and State grant revenues and Public Works Trust Fund loans for construction projects, as well as an increased use of local match funds (fund balance) by the Road Fund.

Non-road capital expenditures decreased 30% ($9.6M decrease) in that same period, as expenditures related to the Public Service Center and other downtown campus remodeling projects began to wrap up.

Capital Assets and Depreciation

Description

All capital assets including land, buildings, equipment, other improvements, and infrastructure (such as roads, drainage systems, etc.), with specific references to depreciable assets in proprietary funds.

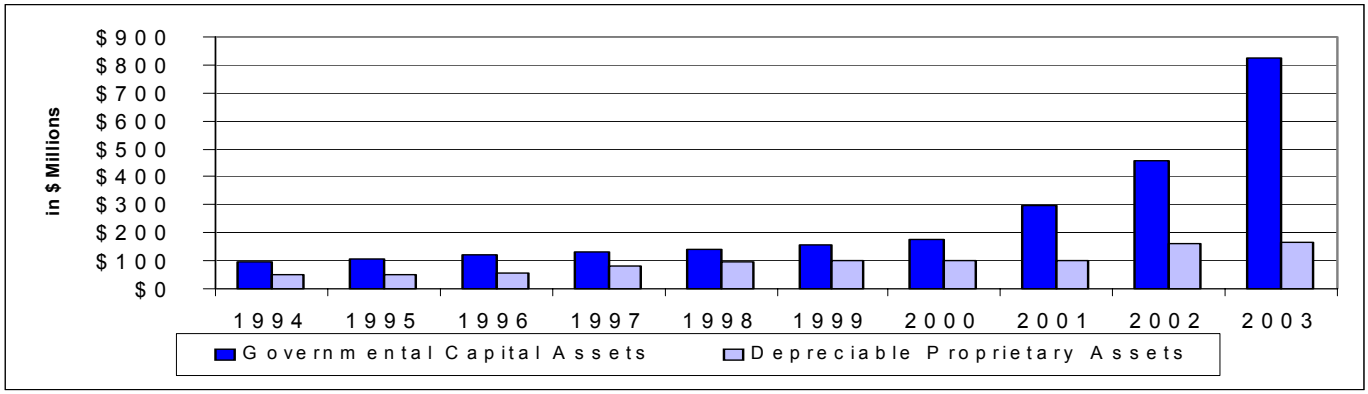
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of Assets
Depreciation Amount / Sum of Depreciable Assets

Governmental and Proprietary Capital Assets



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Governmental Capital Assets (in $1 millions)	93.4	105.1	120.2	129.5	141.9	156.4	175.4	299.0	459.8	822.3
Non- Depreciable Proprietary Assets (in $1 millions)	18.1	17.5	26.3	50.0	65.5	68.2	1.9	2.2	60.0	62.8
Depreciable Proprietary Assets (in $1 millions)	30.5	30.8	29.6	29.2	32.0	34.7	98.7	96.3	99.2	102.3
% of Accum. Depr. to Depreciable Proprietary Assets	34.9%	32.7%	33.3%	34.7%	38.6%	38.8%	15.7%	17.9%	19.8%	21.1%

Analysis

The County implemented GASB Statement #34 (which requires including all infrastructure within capital asset records) between 2001 and 2003. In 2001 and 2002 combined, a total of $236M in infrastructure (including roads, bridges, trail systems, land, and construction in progress) was added to governmental capital assets. In 2003, developer contributed streets for the period 1980-2003 were added to the County's infrastructure at $292M, as well as County constructed roads for $39M. Also added in 2002 and 2003 were $45M in campus development costs, $3.5M for the new financial system, and a donated amphitheatre for $16M. As a result of the inclusion of infrastructure into governmental assets, governmental capital assets now comprise 83% of total capital assets.

Accumulated depreciation expenses, as a percentage of depreciable proprietary assets, varied only slightly until 2000, when the upgrade of the Sewer Treatment Plant was added to the proprietary capital assets. This nearly tripled the value of depreciable capital assets, and resulted in a large decrease in the depreciation percentage. The percentage will increase as the expansion is depreciated. In 2002, $53M in storm water infrastructure constructed between 1980 and 2000 was added to non-depreciable capital assets, in accordance with the modified approach of reporting infrastructure allowed in GASB Statement # 34.

Economic Base

This section attempts to analyze the health of the County's economic base. Although taxable sales increased in 2003 and there are signs that the growth in population has reached manageable levels, the median household income has not kept up with inflation and high unemployment rates for the third year in a row are unsettling.

Population of Cities and County. The population of cities and the County continued to grow in 2003. The 2.5% growth rate in 2003 is consistent with the five-year average of 2.6%. ***Rating***: **Favorable**.

K-12 School Enrollment. Enrollment in the local schools continued to grow, reflecting people moving to the county who have school-age children. Battle Ground was the fastest-growing school district, for the second year in a row, growing 5.6% in 2003. ***Rating***: **Favorable**.

Median Household Income. Clark County's median household income has remained static since 2000, and is not keeping up with inflation. However, the County's median household income continues to remain slightly higher (by 1.1%) than the statewide median household income for the eleventh consecutive year. ***Rating***: **Mixed**.

Registered/Participating Voters. Voter participation in the November election, at 31.4%, was at an all time low for the ten years being reported. In addition, the 2002 statewide primary election had a turnout percentage that was lower than 1998 and 1994 elections. The number of registered voters decreased, due to an extensive updating of records based on returned ballots in 2001, 2002 and 2003. The number of permanent absentee voters rose from 50% in 2001 to 61% in 2003. ***Rating***: **Mixed**

Assessed Property Values. Property values continued to grow in 2003 from both new construction and increased valuation. The rate of increase in assessed values was at the highest rate since 1998. This followed a similiar increase in 2002, after four consecutive years of decreasing growth rates. ***Rating***: **Favorable**.

Residential & Commercial Development. Both residential and commercial development values increased in 2003 from the 2002 levels. Residential development units showed an increase in 2003, while commercial development units decreased in the same period. The average cost per unit increased in 2003 for both residential and commercial development. ***Rating***: **Favorable**.

Port of Vancouver Activity. In 2003, ship calls decreased by 7% over activity in 2002 and metric tons decreased by 30% for the year. Operating revenues decreased in 2003 by 5%, while operating expenses increased by 6% and outpaced operating revenues for the first time in the years tracked in this report. However, depreciation expenses accounted for 40% of operating expenses, and non-operating revenues amounted to $6.6M, leading to a positive change in net assets of $6M for 2003. Overall, the Port is healthy and viable. ***Rating***: **Favorable**.

Community Employment. Unemployment in Clark County was at its highest level since prior to 1988. At 7.7%, it was higher than both the Portland-Metropolitan unemployment rate (7.3%) and the statewide unemployment rate (7.2%). The percentage of county workforce with jobs in Clark County decreased from 71% in 2001 to 69% in 2003. ***Rating***: **Unfavorable**.

Taxable Sale of Goods and Services. Taxable sales countywide grew by 7.3% during 2003. Growth occurred both within the unincorporated portion of the County (2.5%) and within the cities (8.9%). Use tax accounted for 5.7% of total taxable sales within the County for 2003, as compared to 5.2% in 2002. ***Rating***: **Favorable**.

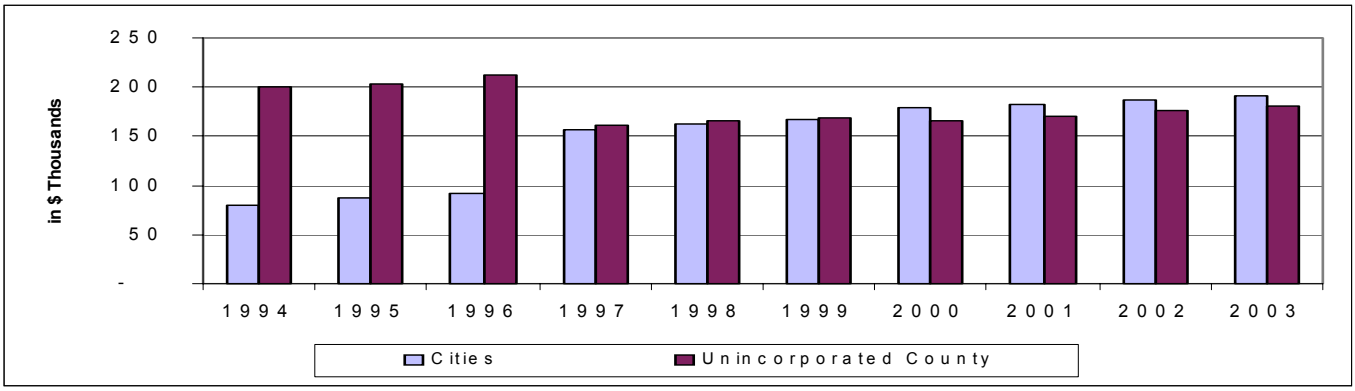
Population of Cities and County

Description
Population of incorporated and unincorporated areas in the County, estimated as of April 1 of the year reported.

Source:
Washington State Office of Financial Management

Calculation:
N/A

Population of Cities and County



In Actual Numbers / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Cities	79,972	87,464	91,442	155,893	162,640	167,810	178,959	182,170	187,690	192,475
Unincorporated County	200,828	203,536	212,058	160,907	165,360	169,190	166,279	170,430	175,710	179,825
County as % of Total	71.5%	69.9%	69.9%	50.8%	50.4%	50.2%	48.2%	48.3%	48.4%	48.3%

Analysis

The estimated population of Clark County as of April 1, 2003 was 372,300. Of this, approximately 48% were in the unincorporated area. Population in the unincorporated areas of the County has grown 9% in the last five years, while countywide population has grown nearly 18% in the same period.

The annexation of the Evergreen and Cascade Park areas to the City of Vancouver in 1997 resulted in an increase of approximately 55,000 people in the incorporated areas of the county. The areas of Evergreen East (pop. 8,880), Burnt Bridge Creek (pop. 1,462), Orchards (pop. 33,480), and Fishers Swale (pop. 200) have been identified by the City of Vancouver as target areas for annexation in the medium term.

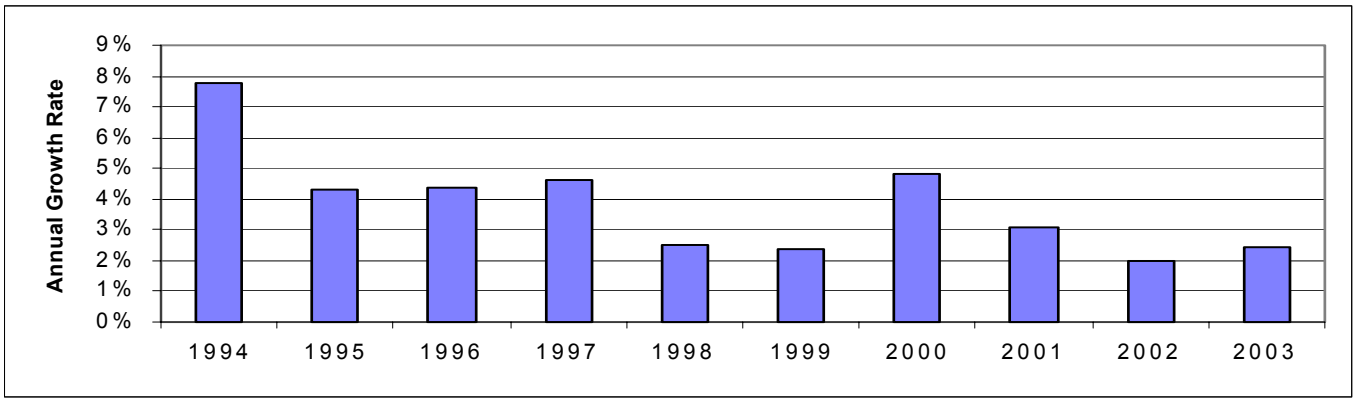
K - 12 School Enrollment

Description
Enrollment in all public schools within Clark County, in grades kindergarten ("K") through 12th grade.

Source:
Education Service District #112

Calculation:
Total Enrollment Current Year / Total Enrollment Prior Year

K - 12 Enrollment Annual Growth Rate



In Actual Numbers / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total Enrollment	52,621	54,896	57,284	59,932	61,433	62,907	65,950	67,983	69,337	71,053
Annual Growth Rate	7.80%	4.32%	4.35%	4.62%	2.50%	2.40%	4.84%	3.08%	1.99%	2.47%
Enrollment per 1,000 population	187.4	188.6	188.7	189.2	187.3	186.7	191.0	192.8	190.8	190.9

Analysis

Student enrollment in the K-12 school system continued to grow in 2003, and the annual growth rate increased slightly, after two years of declining growth rates. The average growth rate per year over the past five years is 3%. Enrollment per thousand population has remained somewhat stable since 1994, fluctuating between 187 and 191, with the exception of 2001, when the ratio was nearly 193 per thousand.

Battle Ground School District continued to grow faster than the average (with 5.6% growth), while enrollment in the Evergreen and Vancouver School Districts increased slightly (0.5% and 0.3%, respectively) in 2003. The other School Districts in the County (which when combined, account for 18% of enrollment) realized a 7.5% combined growth rate in 2003 (the largest of these, Camas School District, shows10% growth from 2002). Over the past ten years, enrollment within the Evergreen School District has increased by 47%, Battle Ground increased by 34%, and Vancouver increased by 21%. These three Districts account for 82% of total enrollment.

Median Household Income

Description

Median household income for Clark County. This means that half the households in the County have incomes above this level, and half have incomes below.

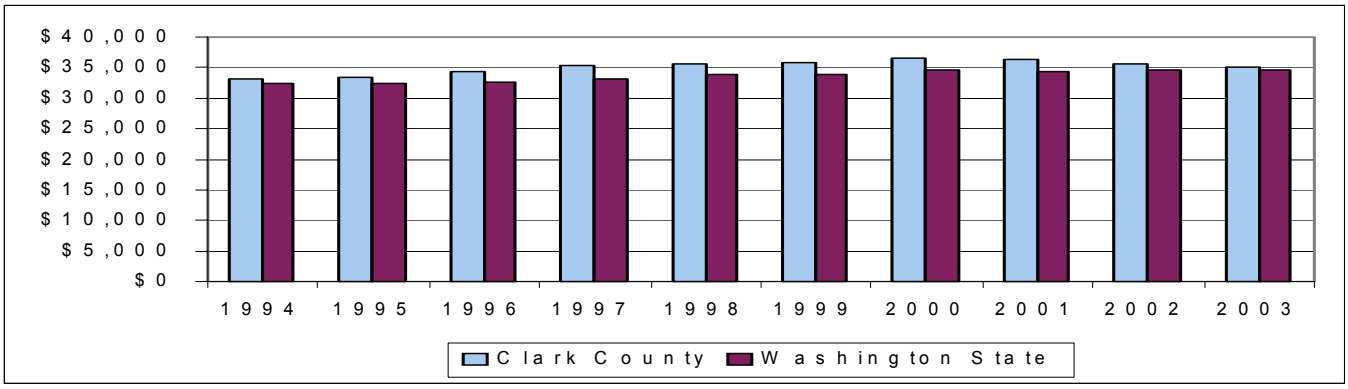
Source:

Washington State Office of Financial Management

Calculation:

Household Median Income

Median Household Income
(In Constant 1990 Dollars)



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Clark County Median Household Income	38,614	40,229	42,663	45,419	46,744	48,376	51,214	51,936	51,403	51,234
Washington State Median Household Income	37,968	39,073	40,626	42,562	44,537	45,776	48,397	49,286	49,771	50,664

Analysis

Although Clark County's median income consistently increased each year from 1994 to 2000, it has remained fairly consistent since 2000. At $51,234, the County's 2003 median income is $169 lower than 2002, and only $20 higher than in 2000. When adjusted for inflation, the County's median income is at it's lowest level since prior to 1997, and has decreased by 2% in the last five years. At the same time, Clark County's median income is 1.1% higher than Washington State's median income. The County median income has been higher than the state's median income since 1993.

Registered/Participating Voters

Description

The number of citizens registered to vote, including those registered as permanent absentee voters, and the percent of total registered voters that voted in the November general election.

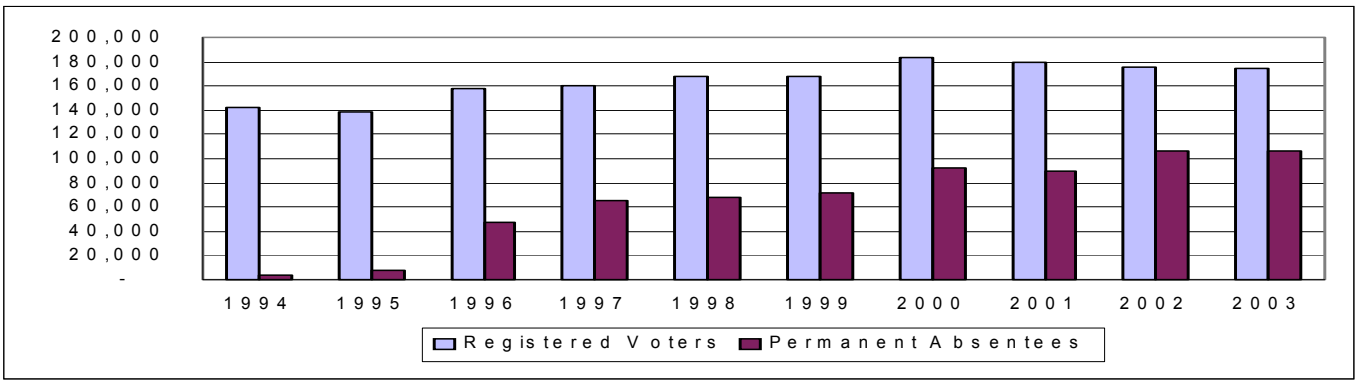
Source:

Clark County Elections Department

Calculation:

Sum of All Registered Voters
Sum of Permanent Absentee Voters

Registered Voters



In Actual Numbers / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Registered Voters in Last Election of Year	142,448	137,962	158,080	160,077	168,294	167,584	183,249	179,182	175,414	173,952
Pernament Absentees	3,980	7,438	44,390	63,751	68,072	72,089	92,177	89,156	106,581	106,344
% of Registered Voters Casting Ballots	55.9%	47.7%	72.4%	50.6%	58.4%	50.0%	74.9%	35.3%	53.6%	31.4%

Analysis

Out of about 174,000 registered voters, 31.4% turned out for the 2003 local general election. This is the lowest election turnout in the ten years being reported. The 2002 statewide election turnout was also the lowest turnout for comparable statewide election years (even years that are not presidential election years) in the ten years tracked.

Prior to 1992, state law prohibited residents from becoming permanent absentee voters unless they were disabled or at least 65 years old. The Vote-by-Mail primary and general elections in 1995 led to the increased number of permanent absentees in 1996. The “Stadium” Vote-by-Mail election in June 1997 helped to continue this increase. By 2000, 50% of all registered voters in the County were permanent absentee voters. This number had risen to 61% by 2003.

Since 2001, the elections department has been updating voter registration records and has found several thousand previously registered voters that no longer live in the County. This accounts for the drop in the number of registered voters from 183,249 in 2000 to 173,952 in 2003.

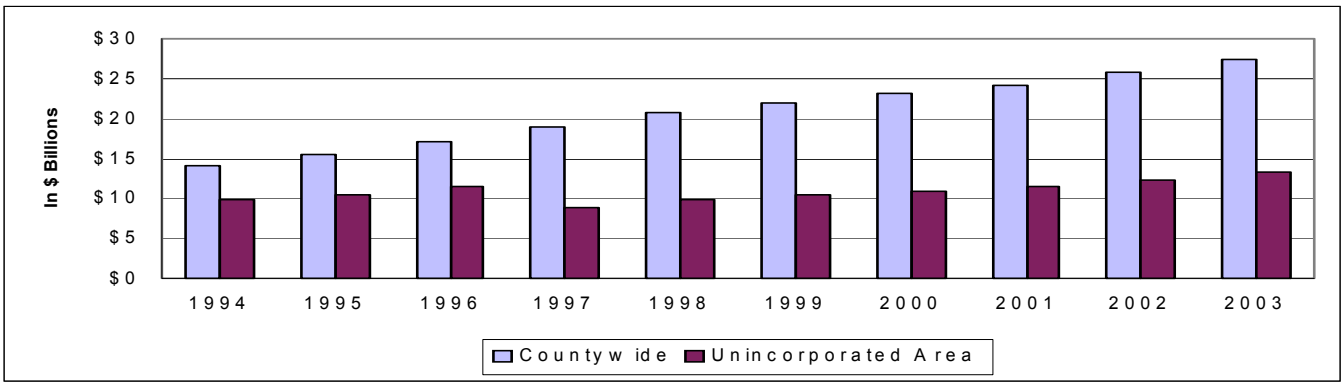
Assessed Property Values

Description
The valuation of all real property located in Clark County as determined by the County Assessor. Does not include real property owned by state and local governments, schools, fire and other districts, and religious and other qualified organizations.

Source:
Assessor's Office Records

Calculation:
Total Assessed Values

Assessed Values
(including new construction)



In Actual Dollars

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Assessed Property Values - Countywide (in $ millions)	14,020	15,531	17,085	18,900	20,678	21,983	23,212	24,217	25,776	27,461
Assessed Property Values - Unincorp. Area (in $ millions)	9,858	10,544	11,561	8,816	9,923	10,386	10,918	11,411	12,183	13,238

Analysis

Property values continued to increase in the County. Of the $1.7 billion increase in 2003, $760M was due to new construction and $925M was due to increased valuation. The 6.5% rate of increase in assessed values in 2003 (compared to 6.4% in 2002) was at the highest level since 1998. Assessed values increased annually from 1994 through 1997, increasing consistently between 10% and 11.9% annually. However, over the next four years the rate of growth in assessed values decreased annually, dropping from 10.6% growth in 1997, to a low of 4.3% growth in 2001.

Total assesed property value, Countywide, has increased by 32.8% over the last five years. Total assessed property value in the unincorporated area of the County has increased 33.4% in that same time period.

Approximately 48% of the assessed property value lies in the unincorporated portion of the County.

Residential & Commercial Development

Description

The number and value of building permits issued by the Building & Code Division of the Department of Community Development. Includes estimated value of construction at the time of application. Does not include the actual cost of development.

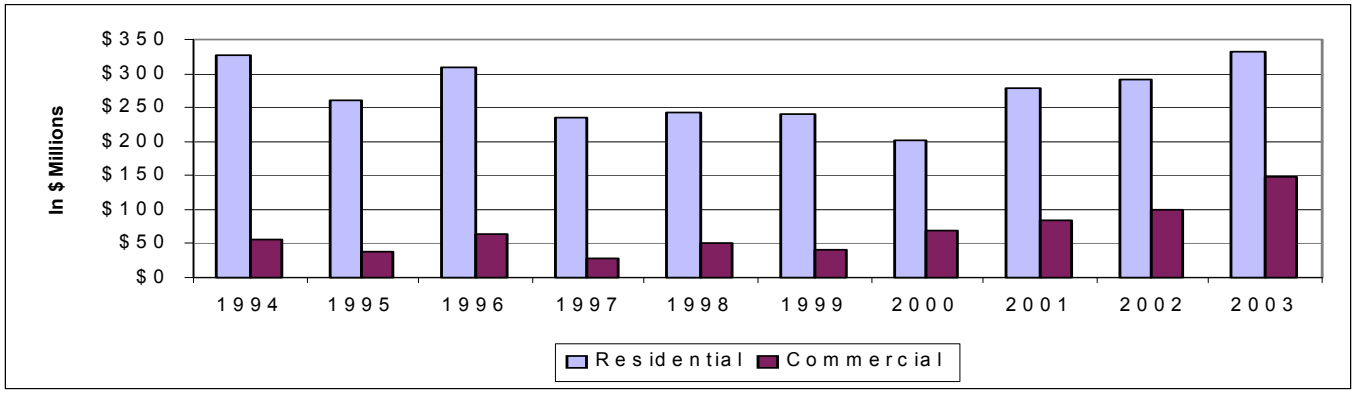
Source:

Building and Code Division & County Financial Records

Calculation:

Sum of Permits
Sum of Dollar Values

Residential and Commercial Development (Dollar Value)



In Actual Dollars / Units

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Residential Development Dollar Value (in $ millions)	326.8	259.8	310.4	235.7	243.2	240.7	200.8	278.7	291.1	330.9
Number of Residential Units Developed	3,803	2,816	3,370	2,305	2,401	2,156	1,857	2,393	2,179	2,408
Commercial Development Dollar Value (in $ millions)	56.7	39.2	64.0	28.1	50.4	40.2	68.7	84.6	100.1	147.9
Number of Commercial Units Developed	116	109	141	163	154	161	300	228	260	225

Analysis

During 2003, the number of residential units for which building permits were obtained in the unincorporated areas of the county increased by 10.5% from 2002. During the same period, the average estimated value per unit increased by 2.9%, from $133,575 in 2002, to $137,426 in 2003. The total dollar value for residential development increased by 13.7% in 2003.

At nearly $148M, the dollar value of commercial development for which building permits were obtained in 2003 increased by 48% above 2002, and by 75% above 2001. The number of commerical units permited during 2003 decreased by 14% from 2002 levels, while the average cost per unit increased to $657,156 from $385,065 in 2002.

Port of Vancouver Activity

Description

The number of ship calls and volume, in metric tons, of all import and export activity at the Port of Vancouver terminals. Does not include other port activities.

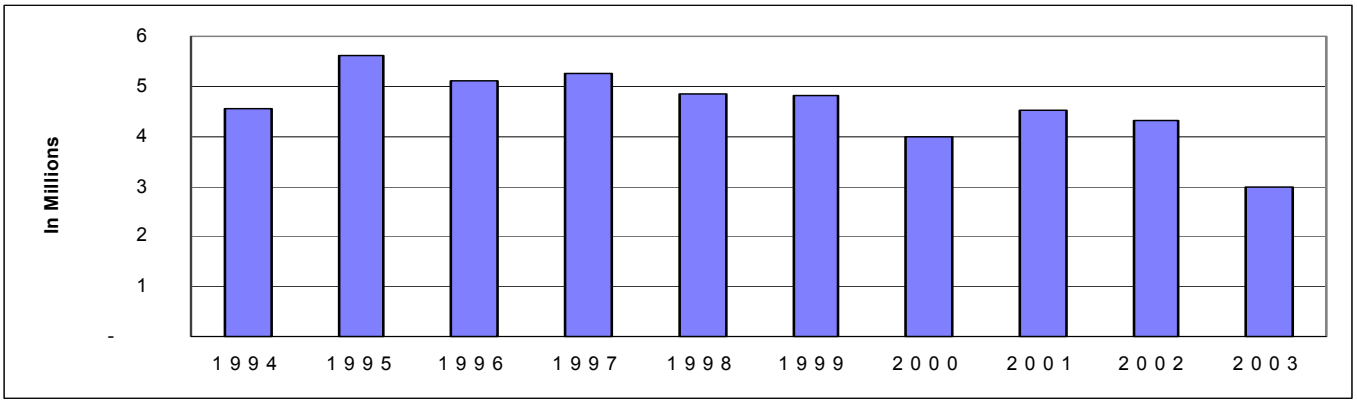
Source:

Port of Vancouver Annual Report

Calculation:

Sum of Metric Tons

Metric Tons



In Actual Numbers / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Metric Tons (in 1,000's)	4,563	5,615	5,108	5,251	4,853	4,814	4,004	4,522	4,320	3,019
Number of Ship Calls	385	440	404	443	430	380	352	475	482	450
Oper. Revenues (in $1,000's)	8,900	9,108	10,548	10,747	11,198	11,601	12,437	13,604	12,945	12,257
Oper. Expenses (in $1,000's)	6,750	6,543	7,116	8,833	9,708	9,281	10,791	12,306	12,165	12,850
Operating Revenue as % of Operating Expenses	132%	139%	148%	122%	115%	125%	115%	111%	106%	95%

Analysis

The number of ship calls to the port decreased from 482 in 2002 to 450 in 2003. At 450, the number of calls is still higher than any year in the period from 1988 through 2000 (the years tracked for the County's Trend Report), and is about 6% above the ten year average. In 2003, metric tons exported decreased by 30%.

Operating revenue decreased by over $600,000 for the second year in a row, following seven years of steady increases. For the first year in the ten years of operating revenues and expenses tracked by this report, operating expenses outpaced operating revenues. Prior to 2003, the ratio of revenues to expenses had decreased steadily since 1999. This is in part due to depreciation expense, which, at over $5M in 2003, accounted for 40% of total operating expenses. Also, non-operating revenues were strong in 2003, leading to a positive change in net assets of $6M for 2003.

The Port is affected by many external factors, including government policy, foreign currency exchange rates, and the growing season.

Community Employment

Description

Number of employable individuals (work force), number of work force employed (community employment), number of local jobs, and local and state unemployment rates.

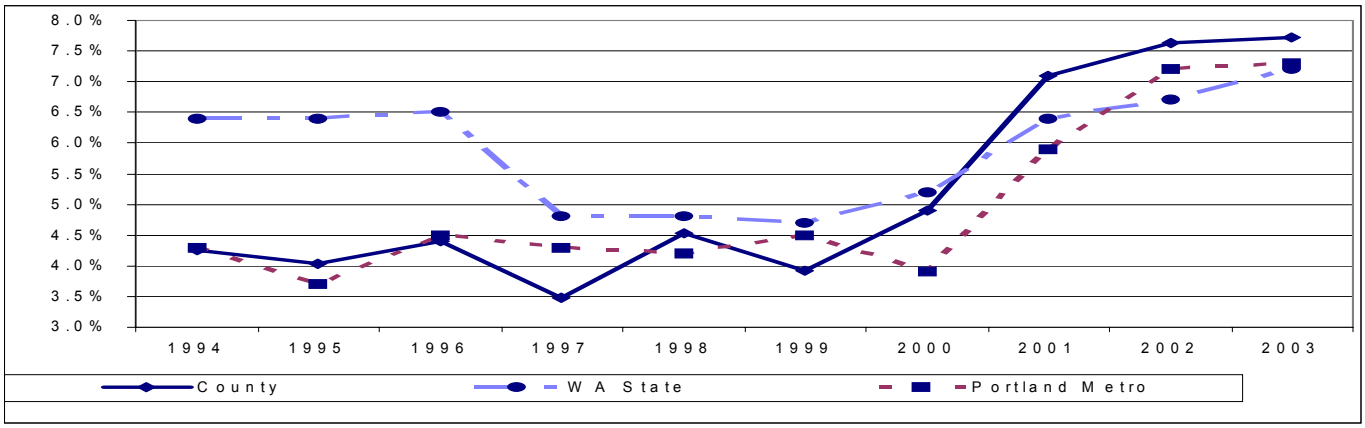
Source:

US Department of Labor,
Washington State Employment Security
Oregon Labor Market Information System

Calculation:

N/A

Unemployment Rates



In Actual Numbers / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Clark County Unemployment Rate	4.3%	4.0%	4.4%	3.5%	4.5%	3.9%	4.9%	7.1%	7.6%	7.7%
Washington State Unemployment Rate	6.4%	6.4%	6.5%	4.8%	4.8%	4.7%	5.2%	6.4%	6.7%	7.2%
Portland Metro Area Unemployment Rate	4.3%	3.7%	4.5%	4.3%	4.2%	4.5%	3.9%	5.9%	7.2%	7.3%
% of County Workforce with Jobs in Clark County	70.6%	69.2%	68.1%	67.6%	67.5%	67.7%	68.1%	70.6%	68.3%	69.4%

Analysis

Clark County had a higher unemployment rate than the Portland Metropolitan Area and the State of Washington in 2003, for the third year in a row. At 7.7%, the County's unemployment rate is the highest it has been since prior to 1988, and has increased steadily since 1999. There were 14,300 unemployed workers living in Clark County in 2003.

The percentage of the county workforce that works in Clark County increased slightly, to 69.4% in 2003, and continues to highlight the impact that the Portland metropolitan area has on the economy of Clark County.

Taxable Sale of Goods and Services

Description

The value of transactions involving the sale or purchase of taxable goods and services. This includes use tax values. Does not involve non-taxable transactions.

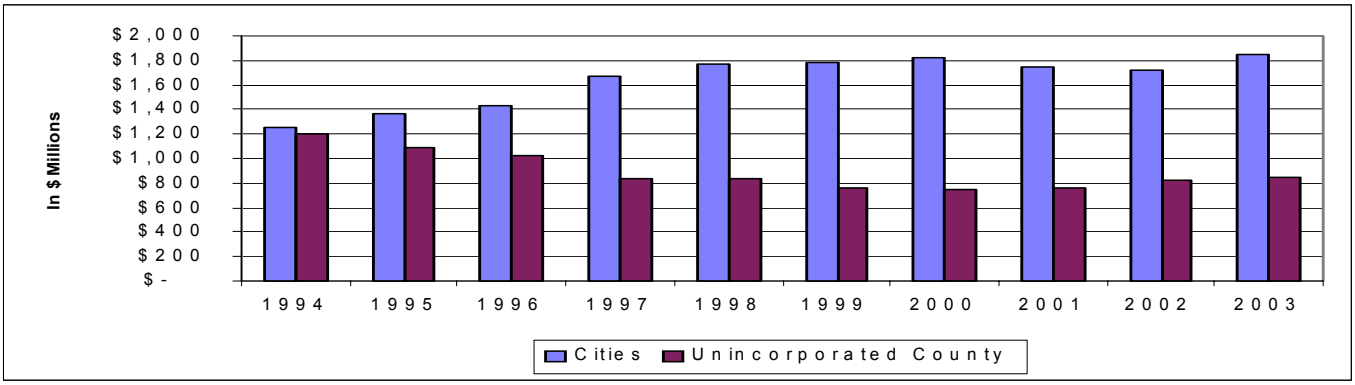
Source:

Washington State Department of Revenue

Calculation:

Taxable Retail Sales + Total Use Tax Purchases

Value of Taxable Events
(In Constant 1990 Dollars)



In Actual Dollars / Percentages

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Taxable Events - Cities (in $ millions)	1,458	1,639	1,782	2,143	2,325	2,412	2,541	2,508	2,490	2,711
Annual % Change	15.7%	12.4%	8.7%	20.3%	8.5%	3.7%	5.4%	-1.3%	-0.7%	8.9%
Taxable Events - Uninc. County (in $ millions)	1,405	1,314	1,280	1,076	1,102	1,034	1,041	1,088	1,192	1,239
Annual % Change	-0.5%	-6.5%	-2.6%	-16.0%	2.4%	-6.2%	0.7%	4.5%	9.5%	4.0%
Use Tax Events as a % of Total	15.9%	13.9%	9.4%	8.3%	8.0%	6.8%	7.5%	6.1%	5.2%	5.7%

Analysis

For the entire County, taxable activities continued to grow. Countywide, the 2003 increase was 7.3%, compared to a 2.9% average annual increase over the last five years. When adjusted for inflation, the average annual growth rate over the last five years is 0.7%. When adjusted for inflation, Countywide taxable activity increased 5.8% in 2003, from 2002.

Total taxable sales in the unincorporated area of the County increased 4% in 2003 (2.5% when adjusted for inflation), while taxable sales within the cities increased for the first time since 2000, increasing by 8.9% in 2003 (7.3% when adjusted for inflation).

The percentage of taxable events that are subject to use tax has decreased eight out of the last ten years, increasing slightly in 2000, and again in 2003. In 2003, 5.7% of all taxable sales were subject to use tax.