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# 2013-2014 Biennium Financial Plan

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## ***Importance of Financial Planning***

*The County as an institution has multiple partners, including citizens, taxpayers, businesses, employees and other governments. As a major institutional, economic and service force in the region, it is important that the County strengthen its relationships with its partners by adopting clear and comprehensive financial policies.*

*Clark County is accountable to its citizens for the use of public dollars. County resources should be used wisely to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs.*

*The 2013-2014 Adopted Budget is intended to serve as the County's financial plan to meet the established policy goals and objectives.*

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## ***Fund Types***

### ***Governmental***

- *General Fund*
- *Special Revenue Funds*
- *Debt Service Funds*
- *Capital Projects Funds*
- *Fiduciary Funds*

### ***Proprietary***

- *Internal Service Funds*
  - *Enterprise Funds*
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## **Budget As A Financial Planning Document**

Budgets serve a wide variety of purposes. They can serve as policy making tools, management tools, planning tools, and communications devices. Ultimately, however, budgets are financial documents. They should provide a snapshot of the overall financial condition of an entity and of its financial plan for the coming period. This section provides that information. Other sections of the document present the budget in terms of services, programs, and organizational structures. This section focuses on the financial dimension, and is organized around individual funds, revenue sources, and categories of expenditures.

The 2013/2014 Clark County budget is a product of a strategic planning process which, through its statement of fiscal policies and budget objectives, provides a framework for funding decisions.

### **The 2013/2014 Budget and the Long-Range Plan**

The 2013/2014 Adopted Budget contains detailed funding information for the first two years of the long-range planning period. Current funding decisions frequently involve long-term financial implications and commitments. For this reason, it is critical that the budget be developed within the long-range plan to ensure that adequate resources will be available for future needs.

Clark County has extended its financial planning horizon to better plan for future funding needs by:

- Replacing the one year budget cycle with a biennial budget that began for the 1999/2000 period, and
- Developing long-range expenditure forecasts in key areas.

These enhancements effectively double the planning horizon.

## **Financial Structure of Clark County**

### **Fund Accounting**

Like most governmental entities, Clark County organizes its finances on the basis of "funds." A fund is a self-contained, independent financial entity with its own assets and liabilities. Each fund has its own balance sheet and, in effect, is treated as a separate "business" for accounting purposes.

The 2013/2014 budget includes expenditures for 99 funds, ranging from the General Fund (\$294.9 million) to a Road Impact Fee Fund (\$15,000). *A description of each fund is provided later in this section, including projected revenue, 2013/2014 adopted budget, beginning balance and ending balance.*

### **Fund Types**

Funds can be classified according to the accounting conventions which apply to them. "Governmental" funds are governed by accounting standards developed specifically for government. "Proprietary" funds are controlled by the same accounting standards which apply to private business (for more details on this distinction, see Basis of Accounting, below). Within these categories, there are seven fund types (listed on the left).

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## Basis of Accounting and Budgeting

*The "basis of accounting" and the "basis of budgeting" determine when revenues and expenditures are recognized.*

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*Clark County, like most government entities, employs a hybrid basis of accounting termed "modified accrual".*

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*The "basis of accounting" and "basis of budgeting" are the same within each fund type.*

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*Internal (inter-fund) transactions represent non-cash expenditures and non-cash revenue because no cash enters or leaves the County as a whole.*

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*Internal transactions make up 22 percent of the 2013-2014 budget.*

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*The Washington State Budgeting Accounting & Reporting System (BARS) Manual sets forth both general principles of budgeting and detailed procedural guidelines used by Clark County.*

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The "basis of accounting" and "basis of budgeting" determine when revenues and expenditures are recognized for the purposes of financial reporting and budget control. Accounting on a "cash basis" means that revenues and expenditures are recorded when cash is actually received or paid out. This method is used by many small businesses, but it has limitations which make it unsuitable for larger, more complex organizations. Most large businesses employ "full accrual accounting," in which revenues are recorded when earned (rather than when received), and expenditures are recognized when an obligation to pay is incurred (rather than when the payment is made). Capital expenses (the costs of acquiring tangible assets) are recognized over the life of the asset, not when the asset is purchased.

Governments typically employ a hybrid basis of accounting termed "modified accrual". Under this system, revenues are recognized when they become measurable and available; expenditures are recognized when the obligation to pay is incurred. However, capital expenditures are recognized at the time of the purchase. This means that governments may experience significant increases and decreases in total expenditures from year to year, because capital expenses tend to be large and unevenly timed. To help explain year to year expenditure trends, governments frequently report capital expenditures separately from operating costs in their budget documents.

Clark County uses modified accrual accounting and budgeting for its governmental fund types, including the General Fund, special revenue funds, debt service funds, and capital project funds. For proprietary fund types, including enterprise funds and internal service funds, the County uses full accrual accounting and budgeting.

## Accounting for Internal Transactions

One consequence of fund accounting is the existence of inter-fund transactions, including transfers, internal service payments, loans and capital contributions. These transactions record the movement of money between County funds. Internal (inter-fund) transactions represent non-cash expenditures and non-cash revenue when the County budget is viewed as a whole, because no cash enters or leaves the County.

Internal transactions have the impact of inflating the apparent size of the County budget. The 2013/2014 budget, which totals \$848.3 million, includes \$188.8 million of these internal transactions, or 22 percent. This tends to mask otherwise apparent expenditure trends. The financial information presented later in this section identifies cash and non-cash transactions separately to more clearly display underlying trends.

## Washington State Budgeting Accounting & Reporting System

State law empowers the State Auditor to prescribe a uniform chart of accounts and a uniform budgeting, accounting, and reporting system for all local governments in Washington. This system is known as the Budget Accounting and Reporting System (BARS).

Part Two of Volume One of the BARS Manual pertains to budgeting and contains general principles of budgeting and detailed procedural guidelines. These principles and guidelines are reflected in the County's budget process.

## Financial Overview

## Revenue & Expenditure Overview

The following table summarizes all revenues and expenditures over the eight year period from 2007 to 2014. Revenues are displayed by major source with external revenues shown separately from internal revenues. Expenditures are displayed by major category with external expenditures shown separately from internal expenditures.

It is notable that approximately 22 percent of revenues and expenditures result from internal transactions between Clark County entities. These internal transactions are also referred to as non-cash transactions because no cash enters or leaves the County. They are used primarily to keep track of operating subsidies or charges for internally provided services.

8 Year Revenue and Expenditure Summary (Millions)				
	07/08	09/10	11/12	13/14
	Actuals	Actuals	Actuals	Budget
<b>Revenue Source</b>				
Property Tax	178.8	191.0	196.5	194.5
Sales Tax	60.1	52.2	56.3	60.7
Other Taxes	37.6	31.3	31.8	35.1
Charges for Service	106.3	80.7	92.2	90.6
Intergovernmental	233.9	211.6	172.9	156.3
Bond Proceeds	12.4	1.1	11.5	3.5
Other External Rev.	78.7	51.5	54.3	61.6
<b>External Revenue</b>	<b>707.7</b>	<b>619.4</b>	<b>615.6</b>	<b>602.3</b>
<b>Internal Revenue</b>	<b>224.0</b>	<b>188.1</b>	<b>210.0</b>	<b>204.0</b>
<b>Total Revenue</b>	<b>931.7</b>	<b>807.5</b>	<b>825.7</b>	<b>806.3</b>
<b>Exp. Category</b>				
Salaries & Benefits	289.6	284.4	283.5	301.8
Supplies & Services	280.5	263.2	268.1	247.1
Debt Service	29.1	28.8	43.6	40.6
Fixed Assets	111.6	58.7	50.7	70.0
<b>External Expenditures</b>	<b>710.7</b>	<b>635.0</b>	<b>645.8</b>	<b>659.4</b>
<b>Internal Expenditures</b>	<b>216.8</b>	<b>194.8</b>	<b>199.0</b>	<b>188.8</b>
<b>Total Expenditures</b>	<b>927.5</b>	<b>829.9</b>	<b>844.8</b>	<b>848.3</b>
<b>Annual Surplus (Deficit)</b>	<b>4.3</b>	<b>(22.3)</b>	<b>(19.1)</b>	<b>(42.0)</b>

As shown in the table, revenues exceeded expenditures by \$4.3 million in 2007/2008. Then expenditures exceed revenues by \$22.3 million in 2009/2010, by \$19.1 million in 2011/2012; and expenditures are projected to exceed revenues by 42 million in 2013/2014. Of this 42 million, 43% or \$18 million more expense than revenue will occur in the Road Fund (Fund 1012) for capital expense projects; and 14% or \$6 million represents one time use of General Fund reserves.

In 2007/2008, revenues were still performing well due to the collection of property taxes through new construction and an increase in sales tax collections. However, revenue growth from the additional collection of three tenths of one percent sales tax in 2007/2008 was overshadowed by a slowing economy beginning in the fall of 2008. The 2009/2010 biennium deficit reflects the use of reserves to mitigate program reductions as the county reacted to the Great Recession. The county General Fund reduced the budget by \$62

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million or 22% and cut staffing by 122 positions or 15%. Other areas of the budget also had reductions including Public Health and Community Development which added to reduced staffing by 143 positions. Overall, between 2007/2008 and 2013/2014, the county reduced its workforce by 14%.

In 2013/2014, revenues are expected to grow at a steady moderate pace. At the same time, tight restrictions imposed on expenditures in 2009/2010 were carried forward. In addition, in 2011 the county started developing a long-term plan, known as the Reconfiguration Project, to find permanent solutions to the structural deficit gap between expenditure and revenue growth. Overall, through these efforts, the General Fund reserves in early 2013 are slightly above the minimum recommended by the Government Finance Officers Association.

A detailed analysis of expenditures and revenues for the current budget cycle and the prior six years is provided later in this section.

**Beginning Fund Balance Estimate  
\$166.9 million as of Jan. 1, 2013**

*Beginning fund balances represent the unexpended financial resources available from prior years.*

**Change in Fund Balance**

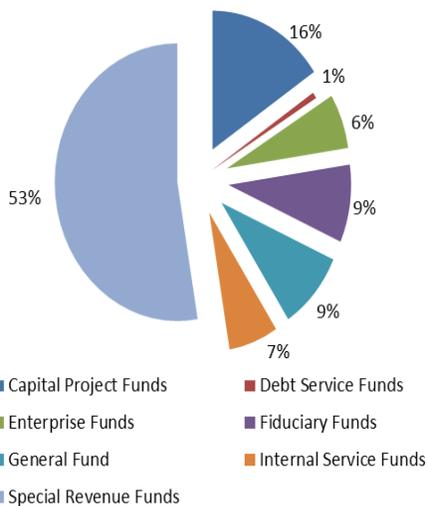
The table below summarizes the 2013/2014 Clark County budget by fund type. The beginning balances are estimates developed during the last month of 2012. From the beginning balances, revenues are added and expenditures are subtracted to arrive at the projected ending fund balance.

**Ending Fund Balance Projection  
\$125 million on Dec. 31, 2014**

*Ending fund balances represent the unexpended financial resources available to the County for future use. They serve a number of purposes such as providing a cushion against financial emergencies, operating liquidity, and the earmarking of funds for future projects.*

2013/2014 Budget by Type of Fund				
	Beginning Balance	Revenues	Expenditures	Ending Balance
<b>General Fund</b>	<b>24,280,251</b>	<b>288,710,210</b>	<b>294,933,200</b>	<b>18,057,261</b>
Special Revenue Funds				
Camp Bonneville Fund	2,431,482	8,540,000	8,540,000	2,431,482
Campus Development Revenue Fund	3,342,574	8,749,015	8,729,015	3,362,574
Clark County Fair Fund	(970,144)	9,204,616	8,533,827	(299,355)
Community services funds	30,602,884	83,793,322	84,656,798	29,739,408
County Roads	27,578,371	127,362,543	145,283,306	9,657,608
CRESA Emergency	3,469,966	8,610,316	8,610,316	3,469,966
Health Department	1,235,930	23,810,139	24,106,507	939,562
Law & Justice Sales Tax Fund	151,873	8,888,509	8,888,509	151,873
Special Law Enforcement Fund	267,785	8,888,509	8,888,509	267,785
Mental Health Sales Tax Fund	1,040,950	10,407,182	10,204,389	1,243,743
MPD-Operations Fund	7,355,551	3,537,731	7,349,583	3,543,699
Planning and Code Fund	1,676,140	10,291,901	11,465,257	502,784
Other Special Revenue Funds	4,538,576	20,768,458	21,161,994	4,145,040
<b>Special Revenue Funds - Subtotal</b>	<b>82,721,938</b>	<b>332,852,241</b>	<b>356,418,010</b>	<b>59,156,169</b>
<b>Debt Service Funds - Subtotal</b>	<b>-</b>	<b>27,982,618</b>	<b>27,080,205</b>	<b>902,413</b>
Capital Project Funds				
Conservation Future-Parks	4,189,127	4,454,160	7,130,403	1,512,884
Economic Development	6,103,003	4,176,079	8,500,702	1,778,380
Traffic Impact Fee Funds	2,163,899	1,912,000	3,062,000	1,013,899
Park Impact Fee Funds	6,229,504	1,536,000	1,520,000	6,245,504
Parks Dedicated Fund-1/4% REET	2,721,997	810,000	2,746,973	785,024
Real Estate Excise Tax	325,986	10,354,409	9,543,929	1,136,466
Technology Reserve	955,917	3,318,140	4,225,446	48,611
Other Capital Project Funds	2,487,973	6,573,402	2,168,642	6,892,733
<b>Capital Project Funds - Subtotal</b>	<b>25,177,406</b>	<b>33,134,190</b>	<b>38,898,095</b>	<b>19,413,501</b>
Enterprise Funds				
Clean Water	2,620,000	16,017,810	18,635,138	2,672
Salmon Creek WWTP Construction	10,403	6,970,000	6,699,620	280,783
SCWPT Repair & Replacement Fund	1,566,743	1,410,000	1,140,000	1,836,743
Sewer Debt Service Fund	3,215,382	6,549,620	6,549,620	3,215,382
Solid Waste	1,258,911	6,606,716	7,213,545	652,082
Wastewater Maintenance & Ops	1,981,768	14,589,123	14,578,315	1,992,576
<b>Enterprise Funds - Subtotal</b>	<b>10,653,207</b>	<b>52,143,269</b>	<b>54,816,238</b>	<b>7,980,238</b>
Internal Service Funds				
Central Support Services	64,067	16,052,591	16,098,097	18,561
DP Equipment Repair & Replacement	1,276,289	5,344,971	5,581,461	1,039,799
Elections	1,359,461	4,051,648	4,927,184	483,925
Equipment Rental & Revolving	3,151,988	30,488,224	31,325,277	2,314,935
General Liability Insurance	1,427,349	4,738,498	4,212,756	1,953,091
Major Maintenance Fund	941,574	854,500	1,784,500	11,574
MDC and Radio ER&R	614,855	742,002	746,640	610,217
Retirement/Benefits Reserve	149,135	1,437,262	1,463,524	122,873
Unemployment Insurance	1,109,247	1,469,714	1,817,736	761,225
Workers Comp. Insurance	676,277	4,137,606	3,982,589	831,294
<b>Internal Service Funds - Subtotal</b>	<b>10,770,242</b>	<b>69,317,016</b>	<b>71,939,764</b>	<b>8,147,494</b>
<b>Fiduciary Funds - Subtotal</b>	<b>13,339,690</b>	<b>2,174,000</b>	<b>4,199,010</b>	<b>11,314,680</b>
<b>Grand Total</b>	<b>166,942,734</b>	<b>806,313,544</b>	<b>848,284,522</b>	<b>124,971,756</b>

**Ending Fund Balances as Percent of Total  
December 31, 2014**



The adopted budget schedule shows all individual funds in Appendix 1.

# Budget by Fund

## General Fund

### Revenue

Property Tax .....	\$118,672,100
Sales Tax.....	26,695,992
Other Taxes .....	9,641,707
Licenses / Permits .....	5,397,606
Intergovernmental.....	44,160,035
Ūharges for Services .....	45,157,243
Fines / Forfeitures.....	7,301,831
Miscellaneous .....	4,972,812
Other Sources.....	26,710,884
<b>Total Revenue .....</b>	<b>\$288,710,210</b>

### Expenditures

Salaries & Benefits ....	\$199,274,832
Supplies & Services.....	53,986,173
Debt Service .....	0
Capital Expenditures.....	965,345
Internal Exp.....	40,706,850
<b>Total Expenditures...</b>	<b>\$294,933,200</b>

**Fund Bal. Decrease.....\$6,222,990**

Taxes account for 54 percent of General Fund revenues. Additional sources include intergovernmental revenues, transfers from other funds, fines, interest earnings, license and permit fees, charges for certain services, and indirect costs payments from other departments.

## County Funds: Descriptions and Projected Balances

The following describes each County fund, purpose, principal revenue sources, and its overall financial condition for the 2013/2014 biennial budget.

### General Fund

The General Fund is a governmental-type fund used mainly to account for the County's general purpose or "unrestricted" revenues. Like most government entities, Clark County has one general fund.

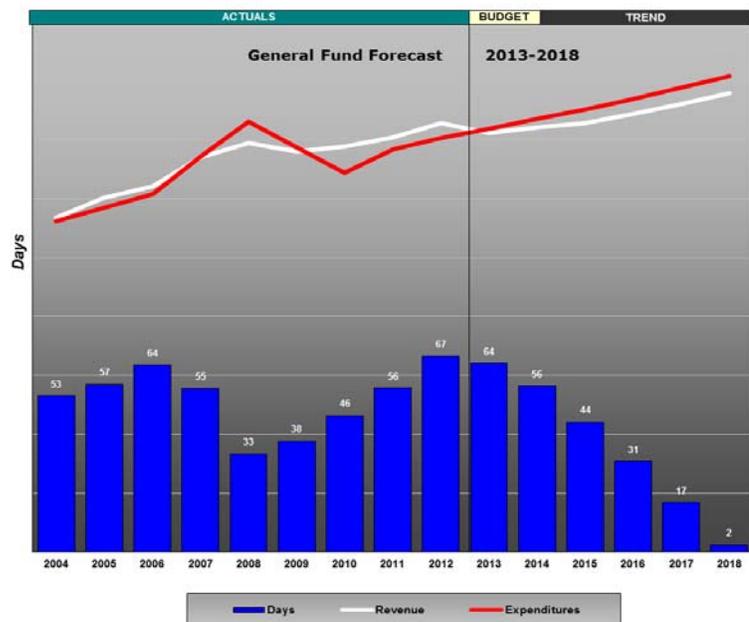
#### General Fund (Fund 0001)

Beginning Balance .....	\$17,638,553
Revenues.....	288,710,210
Expenditures.....	294,933,200
Ending Balance .....	\$11,415,563

The General Fund is the County's largest single fund, and serves as the primary operating fund. Revenues that the County is not required to account for in a separate fund are deposited in the General Fund.

Broadly speaking, the General Fund accounts for the County's unrestricted resources. General Fund revenues, with a few exceptions, can be used for any appropriate public purpose and, as a result, requests for General Fund resources typically far exceed the amount available. The County's financial stability, and its ability to maintain service levels, depends heavily on a quality forecast of General Fund revenues and expenditures. A six year forecast (shown below) was first developed in 1998 and continues to serve as the tool for developing budgets.

The Clark County Commissioners have allowed only limited growth of



General Fund expenditures in prior biennia. The 2007/2008 budget reflects a commitment to increase funding of law and justice departments through an additional 2/10ths of one percent sales tax. In response to the downturn in the economy, the 2009/2010 budget reduced expenditures to all departments but prioritized law and justice departments through a six percent budget reduction while other departments' budgets were reduced by twelve percent.

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## Special Revenue Funds

Special Revenue funds are governmental-type funds which account for revenues collected for specific, restricted purposes. The County has 43 such funds.

### **Special Revenue Funds**

#### **Revenue**

Property Tax ..... \$63,434,178  
Sales Tax ..... 33,970,734  
Other Taxes..... 25,178,606  
Licenses / Permits ..... 11,997,691  
Intergovernmental ..... 101,270,683  
Charges for Services..... 48,661,005  
Fines / Forfeitures ..... 347,056  
Miscellaneous..... 18,405,095  
Other Sources ..... 29,587,193

**Total Revenue..... \$332,852,241**

#### **Expenditures**

Salaries & Benefits ..... \$76,525,684  
Supplies & Services ..... 136,572,988  
Debt Service..... 400,000  
Capital Expenditures ..... 48,966,196  
Internal Exp. .... 93,953,142

**Total Expenditures... \$356,418,010**

**Fund Bal. Decrease ... \$23,565,769**

#### **County Road Fund (Fund 1012)**

Beginning Balance ..... \$27,578,371  
Revenues ..... 127,362,543  
Expenditures..... 145,283,306  
Ending Balance ..... \$9,657,608

The Road Fund accounts for revenues dedicated to the planning, design, construction, and maintenance of roads in the unincorporated portion of the County. Principal revenue sources include a tax on unincorporated property in the county, a share of the State's gasoline tax, and capital project grants from the state and federal government. Prior years included a significant amount of revenue from new development within the unincorporated area, but projections do not anticipate a continuation of that level of activity. The Road Fund's revenue is used to support the projects listed in the Six-Year Transportation Improvement Program (TIP).

The Road Fund contains the budget for the design, engineering, and administrative functions of Public Works, including records and public information. Capital spending, mainly for right-of-way acquisition, road construction and road overlays, accounts for the majority of the expenditures in this fund. The Road Fund also "buys" a significant amount of service from other County entities through internal service arrangements.

#### **Local Revitalization Financing Fund (Fund 1035)**

Beginning Balance ..... \$20,815  
Revenues ..... 30,000  
Expenditures..... 0  
Ending Balance ..... \$50,815

This fund was created in order to identify and set aside sales tax and property tax revenues dedicated to the 179<sup>th</sup> St. Local Revitalization Financing project. These revenues will be used to fund planning and construction work on the project, which is scheduled to start at a later date.

#### **Mental Health Fund (Fund 1952)**

Beginning Balance ..... \$18,773,455  
Revenues ..... 6,569,638  
Expenditures..... 13,142,365  
Ending Balance ..... \$12,200,728

This fund, administered by the Department of Community Services, accounts for the County's mental health programs. Major revenue sources include state grants and a dedicated, countywide property tax levy. In 2012, Clark County joined two other Washington State counties (Cowlitz and Skamania) in order to form a Regional Support Network (RSN) for the provision of mental health services. Staff and services were moved from Clark County to the new regional entity, resulting in a new revenue and expense reduction of approximately \$70 million for the biennium across all mental health funds.

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**Planning and Code Fund (Fund 1011)**

Beginning Balance .....	\$1,676,140
Revenues .....	10,291,901
Expenditures.....	11,465,257
Ending Balance .....	\$502,784

This fund accounts for the revenues and expenditures associated with land use planning, development review, and building permits. Major revenue sources include building permits, planning fees, and transfers from the General Fund. With stabilization in building and development activities and fee revenue, the Community Development Department has adjusted to increased activity by use of temporary help. The 2013/2014 adopted budget allows for small FTE increases in Building. A restructuring of the Permit Center staff and space is underway. Previous restructuring reduced 1011's workforce by more than 43 positions. The number of operating hours open to the public remains reduced. A major permitting system replacement project begins in 2013.

**Community Development Block Grant (Fund 1939)**

Beginning Balance .....	\$165,332
Revenues .....	5,100,000
Expenditures.....	4,838,433
Ending Balance .....	\$426,899

This fund is administered by the Department of Community Services. Programs within this fund assist in the development of viable communities by providing decent housing, principally for persons of low and moderate income. Federal grant revenue funds the Housing Rehabilitation and Community Development Block Grant.

**Special Law Enforcement Fund (Fund 1009)**

Beginning Balance .....	\$267,785
Revenues .....	8,888,509
Expenditures.....	8,888,509
Ending Balance .....	\$ 267,785

The Special Law Enforcement Fund is intended to account for the proceeds of the 2/10 percent County sales tax which is dedicated to the provision of additional law enforcement personnel. All revenue from this tax flows into the Special Law Enforcement Fund.

Each year, an amount is transferred from this fund to the General Fund based on the costs of certain staff in the Sheriff's Office. Any remaining tax is retained in the Special Law Enforcement Fund as a reserve.

**Youth and Family Resource Fund (Fund 1934)**

Beginning Balance .....	\$175,000
Revenues .....	2,525,568
Expenditures.....	1,171,598
Ending Balance .....	\$1,528,970

This fund is administered by the Department of Community Services. This fund is used to provide services that are prevention oriented and aimed at reducing violence to families and youth.

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**Substance Abuse Fund (Fund 1954)**

Beginning Balance .....	\$1,067,882
Revenues .....	16,942,534
Expenditures.....	17,976,912
Ending Balance .....	\$33,504

This fund is administered by the Department of Community Services. This fund receives State and Federal grants to provide drug and alcohol abuse treatment and related services. These services are provided through contracts with private sector providers.

**Tourism Promotion Area Fund (Fund 1031)**

Beginning Balance .....	\$82,382
Revenues .....	1,800,000
Expenditures.....	1,785,000
Ending Balance .....	\$97,382

This fund was created in 2004 by inter-local agreement and includes the unincorporated area of Clark County as well as the incorporated area of the City of Vancouver. The Tourism Promotion Area (TPA) imposes a \$2 per room per night charge on transient lodgers in hotels/motels with 40 or more rooms within the area. The Southwest Washington Convention and Visitors Bureau has sole discretion on how the TPA money is expended on tourism promotion.

**Event Center Fund (Fund 1003)**

Beginning Balance .....	\$(970,144)
Revenues .....	9,204,616
Expenditures.....	8,533,827
Ending Balance .....	\$(299,355)

This fund accounts for the revenues and expenditures associated with the County Fairgrounds, including the annual Fair event. During 2004, management of the fairgrounds was transferred to the new private, non-profit Fair Site Management Group (FSMG). This group oversees all budgetary, event and operations of the fairgrounds, except the ten day county fair, which remains under the direction of the Fair Association. A 100,000 square foot Exhibition Hall was completed in 2005. As revenue from gates, parking, concession, and rental fees increases, further construction at the fairground property is anticipated.

**Developmental Disability Fund (Fund 1953)**

Beginning Balance .....	\$272,645
Revenues .....	8,461,106
Expenditures.....	8,675,016
Ending Balance .....	\$58,735

This fund is administered by the Department of Community Services. This fund accounts for grant and property tax revenues received to provide services to the developmentally disabled. Services are provided through contracts with private sector providers.

**Tri-Mountain Golf O&M Fund (Fund 1008)**

Beginning Balance .....	\$(258,797)
Revenues .....	3,750,000
Expenditures.....	3,353,140
Ending Balance .....	\$138,063

This fund accounts for the operating revenue and expenditures associated with the Tri-Mountain Golf Course, which was acquired in mid-1997 from the Port of Ridgefield. Major revenue sources include green fees, rental charges, and merchandise receipts. Expenditures are primarily payments to the operating vendor, Billy Casper Golf, for course maintenance services.

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**GIS Fund (Fund 1007)**

Beginning Balance .....	\$559,759
Revenues .....	0
Expenditures.....	0
Ending Balance .....	\$559,759

This fund was previously used for geographic information service (GIS) revenues and expenditures. The GIS related revenue and expenditures are budgeted now as a department in the General Fund.

**Auditor's O&M Fund (Fund 1002)**

Beginning Balance .....	\$1,625,136
Revenues .....	743,000
Expenditures.....	1,035,836
Ending Balance .....	\$1,332,300

This fund, mandated by State law, accounts for certain revenues earmarked for the maintenance and preservation of public records. These revenue sources include a surcharge on the document recording fee and certain State shared revenues.

**Emergency Services Communication Systems Fund (Fund 1010)**

Beginning Balance .....	\$3,469,966
Revenues .....	8,610,316
Expenditures.....	8,610,316
Ending Balance .....	\$3,469,966

This fund accounts for a special telephone tax enacted for emergency communications services. The money in this fund is passed on to the Clark Regional Emergency Services where it is used for emergency dispatching.

**Narcotics Task Force Fund (Fund 1017)**

Beginning Balance .....	\$83,716
Revenues .....	851,400
Expenditures.....	844,267
Ending Balance .....	\$90,849

This fund accounts for the revenues and expenditures associated with the joint Clark-Skamania Narcotics Task Force. This task force, which includes participation by both city and county law enforcement officials, is funded primarily through grant revenues.

**Arthur D. Curtis Children's Justice Center (CJC) (Fund 1018)**

Beginning Balance .....	\$25,254
Revenues .....	1,511,526
Expenditures.....	1,529,764
Ending Balance .....	\$7,016

This fund supports the administrative, clerical, and support staff for the joint Vancouver-Clark County child abuse investigation and prosecution effort. Expenditures include supplies and office space rental and have historically been financed with State shared revenue received through an agreement with the City of Vancouver, as well as grant revenues.

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**Radio Communications Fund (Fund 1005)**

Beginning Balance ..... \$234,389  
Revenues ..... 0  
Expenditures..... 234,389  
Ending Balance ..... \$0

This fund was previously used for the operating budget of the 800 MHZ communications system. The fund is being discontinued. Expenditures in 2013/2014 consist of the fund balance transfer to the Clark Regional Emergency Services Agency.

**Emergency Medical Services Fund (Fund 1004)**

Beginning Balance ..... \$511,014  
Revenues ..... 1,624,694  
Expenditures..... 1,689,754  
Ending Balance ..... \$445,954

The EMS Fund pays for contracted paramedic ambulance services. This separate fund was created in response to federal insurance regulations that require all revenues generated through fees and fines to go directly to patient care services.

**Administration/Grants Management Fund (Fund 1935/1932)**

Beginning Balance ..... \$2,029,029  
Revenues ..... 10,355,296  
Expenditures..... 8,664,932  
Ending Balance ..... \$3,719,393

This fund is used to provide management and support for Department of Community Services units, Clark County departments, and the public. Services include administration, contract management, monitoring, and fiscal services.

**Veterans Assistance Fund (Fund 1019)**

Beginning Balance ..... \$638,985  
Revenues ..... 649,538  
Expenditures..... 1,286,481  
Ending Balance ..... \$2,042

This fund accounts for the property tax levy dedicated by state law to veterans' assistance. This fund provides emergency financial assistance to veterans and to their surviving spouses. This fund is administered by the Dept. of Community Services and is included in the "Community Services" line of the Budget by Fund table.

**Crime Victim/Witness Assistance Fund (Fund 1022)**

Beginning Balance ..... \$345,783  
Revenues ..... 753,372  
Expenditures..... 853,248  
Ending Balance ..... \$245,907

This fund finances assistance to crime victims and witnesses. Revenues include penalties assessed against criminals, and various grants. In 1995, the State Legislature changed the priority order of repayments to allocate victim restitution first, then penalties assessed for crime victim and witnesses assistance.

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**Sheriff Special Investigation Fund (Fund 1015)**

Beginning Balance .....	\$501,437
Revenues .....	205,000
Expenditures.....	109,500
Ending Balance .....	\$596,937

This fund accounts for asset seizure revenues accruing to Clark County through drug investigations. In addition, special donations received by the Sheriff's Office are deposited into this fund.

**Permanent Reserve Fund (Fund 1030)**

Beginning Balance .....	\$6,641,698
Revenues .....	0
Expenditures.....	0
Ending Balance .....	\$6,641,698

This fund represents the County's emergency operating reserve.

**CJA 0.1% Sales Tax Fund (Fund 1023)**

Beginning Balance .....	\$191,929
Revenues .....	5,786,534
Expenditures.....	5,786,534
Ending Balance .....	\$191,929

This fund was established to track the 1/10% Criminal Justice sales tax revenue. This tax revenue is dedicated to criminal justice uses with 10% allocated to early intervention for youth.

**SAMHSA (Fund 1956)**

Beginning Balance .....	\$59,589
Revenues .....	1,161,434
Expenditures.....	777,626
Ending Balance .....	\$443,397

This fund is administered by the Department of Community Services. This fund was established to build a system of care for children with serious emotional disabilities. Grant funding from Substance Abuse and Mental Health Services Administration (SAMHSA) pays for the comprehensive service delivery infrastructure for children and adolescents linking participating service systems and integrated case management. With the formation of the new RSN identified in the description of Fund 1952, this fund will no longer be needed.

**Human Services Fund (Fund 1957)**

Beginning Balance .....	\$768,772
Revenues .....	849,008
Expenditures.....	827,902
Ending Balance .....	\$789,878

This fund is administered by the Department of Community Services. The funding is for basic and essential needs as identified by the Community Action Advisory Board. The Human Services Funds are utilized to reduce the impact of poverty on communities, families, and individuals by providing resources for services which are responsive to their needs and to promote innovative approaches to addressing the causes and impacts of poverty in the community.

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**Anti-Profitteering Revolving Fund (Fund 1024)**

Beginning Balance .....	\$7,141
Revenues .....	2,000
Expenditures.....	0
Ending Balance .....	\$9,141

This fund was established to account for the proceeds of racketeering prosecutions. These funds are available to finance additional racketeering investigations and prosecutions.

**Health Department Fund (Fund 1025)**

Beginning Balance .....	\$1,235,930
Revenues .....	23,810,139
Expenditures.....	24,106,507
Ending Balance .....	\$939,562

This fund was established in 2003/2004. Previously, the Health Department was a separate entity governed by a consortium of counties including Clark County. By agreement, the Health Department was consolidated and brought under direct jurisdiction of Clark County. The Department aims to preserve, promote and protect public health in the community.

**RSN-Mental Health data systems (Fund 1931)**

Beginning Balance .....	\$356,593
Revenues .....	4,556,606
Expenditures.....	1,812,000
Ending Balance .....	\$3,101,199

This fund is administered by the Department of Community Services. This fund is used to account for the Washington State Consortium for information services within the mental health service delivery system. With the formation of the new RSN identified in the description of Fund 1952, this fund will no longer be needed.

**Weatherization/Energy Fund (Fund 1936)**

Beginning Balance .....	\$370,000
Revenues .....	11,080,000
Expenditures.....	11,443,493
Ending Balance .....	\$6,507

This fund is administered by the Department of Community Services. This fund focuses on weatherization and energy assistance. Funding is used for outreach and assistance to low income households for payment of energy costs; low-cost residential weatherization; and other cost effective energy related home repairs for long-term reduction of energy costs.

**CHIF (Fund 1937)**

Beginning Balance .....	\$4,191,929
Revenues .....	9,430,000
Expenditures.....	7,221,562
Ending Balance .....	\$6,400,367

This fund is administered by the Department of Community Services. Program resources are from the Clark Housing Investment Fund (CHIF) and deed recording surcharges. Initiatives are directed toward the production and support of affordable housing and operating support for facilities providing shelter and housing for low income and homeless individuals and families.

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**Prevention Fund (Fund 1933)**

Beginning Balance .....	\$11,558
Revenues .....	462,132
Expenditures.....	456,318
Ending Balance .....	\$17,372

This fund is administered by the Department of Community Services. The fund provides programs and services for low-income families and individuals that meet basic needs and that promote self-sufficiency. Services are provided through contracts with community-based organizations and are supported with a variety of federal, state, and local funds. The Community Action Program seeks to involve the poor in the affairs of the community and supports advocacy efforts for low-income people.

**Home Fund (Fund 1938)**

Beginning Balance .....	\$84,000
Revenues .....	6,300,000
Expenditures.....	6,148,641
Ending Balance .....	\$235,359

This fund is administered by the Department of Community Services. The goal is to assist low-income residents with a supply of affordable rental housing, assist in homeownership and provide some operating funds to affordable housing not-for-profit organizations.

**Mental Health Reserve Fund (Fund 1955)**

Beginning Balance .....	\$2,277,100
Revenues .....	0
Expenditures.....	1,500,000
Ending Balance .....	\$777,100

This fund is administered by the Department of Community Services and was established as a reserve for the mental health program. With the formation of the new RSN identified in the description of Fund 1952, this fund will no longer be needed.

**Camp Bonneville Fund (Fund 1013)**

Beginning Balance .....	\$2,431,482
Revenues .....	8,540,000
Expenditures.....	8,540,000
Ending Balance .....	\$2,431,482

In July 2006 Clark County entered into an Environmental Services Cooperative Agreement with the United States Army in which the Army is to provide grant funds for the cleanup of Camp Bonneville. The County currently owns the Camp Bonneville site.

**Exhibition Hall Dedicated Revenue Fund (Fund 1026)**

Beginning Balance .....	\$(16,123)
Revenues .....	2,747,150
Expenditures.....	2,354,081
Ending Balance .....	\$376,946

The Exhibition Hall was completed at the Clark County Fairgrounds to serve as a site for small to medium events. This fund serves to collect and pay the ongoing debt service, and the maintenance and operations of this facility.

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**Campus Development Fund (Fund 1027)**

Beginning Balance .....	\$3,342,574
Revenues .....	8,749,015
Expenditures.....	8,729,015
Ending Balance .....	\$3,362,574

The Campus Development Fund accounts for the debt service and maintenance and operations of the county's administration office as well as the Center for Community Health. Expenditures are supported through the collection of rent from non-general fund departments, parking fees, and real estate excise taxes.

**MPD-Operations Fund (Fund 1032)**

Beginning Balance .....	\$7,355,551
Revenues.....	3,537,731
Expenditures.....	7,349,583
Ending Balance .....	\$3,543,699

In 2005 the Board of County Commissioners, through a public vote, created the Metropolitan Parks District (MPD) which encompasses the unincorporated urban growth area. Through property taxes collected within this area (maximum 27 cents per thousand dollars in assessed valuation), 35 additional parks will be constructed. As of 2012, five parks have been completed. This fund covers the maintenance and operations of these capital projects.

**Mental Health Sales Tax Fund (Fund 1033)**

Beginning Balance .....	\$1,040,950
Revenues .....	10,407,182
Expenditures.....	10,204,389
Ending Balance .....	\$1,243,743

The Board of County Commissioners approved and implemented an additional 0.1 percent sales tax beginning with the 2007/2008 biennial budget, dedicated to providing chemical dependency and mental health treatment services and therapeutic court programs to combat crime and confront the effects of widespread use of methamphetamines.

**Law & Justice Sales Tax Fund (Fund 1034)**

Beginning Balance .....	\$151,873
Revenues .....	8,888,509
Expenditures.....	8,888,509
Ending Balance .....	\$151,873

The Board of County Commissioners approved an additional 0.2 percent sales tax beginning with the 2007/2008 biennial budget, collected within the unincorporated boundaries and dedicated to law and justice functions.

**Trial Court Improvement Fund (Fund 1029)**

Beginning Balance .....	\$(14,244)
Revenues .....	314,244
Expenditures.....	300,000
Ending Balance .....	\$0

This fund was created in 2005 in compliance with the state code which stipulates that any county with a district court created under a specific state title shall create a county trial court improvement account, to be used for improvements to superior and district court staffing, programs, facilities or services.

### **Debt Service Fund**

#### **Revenue**

Other Sources..... \$27,982,618

**Total Revenue ..... \$27,982,618**

#### **Expenditures**

Debt Service..... \$27,080,205

**Total Expenditures..... \$27,080,205**

**Fund Bal. Increase ..... \$902,413**

### **Capital Project Funds**

#### **Revenue**

Property Tax ..... 4,336,264

Other Taxes ..... 8,326,292

Intergovernmental ..... 7,053,402

Charges for Services..... 3,501,000

Miscellaneous ..... 169,980

Other Sources..... 9,747,252

**Total Revenue..... 33,134,190**

#### **Expenditures**

Salaries & Benefits..... 64,923

Supplies & Services ..... 5,206,434

Capital Expenditures..... 6,709,810

Internal Exp. .... 26,916,928

**Total Expenditures..... 38,898,095**

**Fund Bal. Decrease ..... 5,763,905**

## **Debt Service Funds**

Debt Service funds are governmental-type funds which account for payments on the County's debt obligation.

### **General Obligation Bond Fund (Fund 2914)**

Beginning Balance ..... 0  
Revenues..... 27,982,618  
Expenditures..... 27,080,205  
Ending Balance ..... \$902,413

This fund accounts for principal and interest payments on the County's general obligation bond debt. Payments are financed with transfers from the General Fund, Road Fund, Conservation Futures Fund, Real Estate Excise Tax Fund, Exhibition Hall Fund, Campus Development Fund, CAD/800 MHz Fund, and CHIF Fund.

## **Capital Project Funds**

Capital Project funds are governmental-type funds which account for the acquisition of capital equipment, land, and other major assets, as well as construction projects. The funds listed below record the receipt of ongoing impact fees or tax revenues which are legally dedicated to a particular capital use (e.g., road projects or park projects). Other capital funds track an individual capital project.

### **Traffic Impact Fees (TIF Funds)**

Beginning Balance ..... \$2,163,899  
Revenues..... 1,912,000  
Expenditures..... 3,062,000  
Ending Balance ..... \$1,013,899

This category represents 6 funds combined for the purposes of reporting the revenues and expenditures from various traffic service areas. Traffic impact fees are transferred to the Road Fund for eligible road construction projects.

### **Real Estate Excise Tax Fund (Fund 3056)**

Beginning Balance ..... \$325,986  
Revenues..... 10,354,409  
Expenditures..... 9,543,929  
Ending Balance ..... \$1,136,466

This fund accounts for the proceeds of the primary Real Estate Excise Tax (REET). Revenue is dedicated to financing capital projects identified in the County Comprehensive Plan. Expenditures include transfers to the debt service fund for specific bonded capital projects eligible for REET funding.

### **Conservation Futures Fund (Fund 3085)**

Beginning Balance ..... \$ 4,189,127  
Revenues..... 4,454,160  
Expenditures..... 7,130,403  
Ending Balance ..... \$1,512,884

This fund accounts for a portion of the special county-wide property tax levy of maximum \$0.0625 per \$1,000 of taxable assessed value, which is dedicated to the acquisition of open space, sensitive lands, and lands intended to remain undeveloped.

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**Park Impact Fee Funds (multiple PIF Funds)**

Beginning Balance .....	\$6,229,504
Revenues .....	1,536,000
Expenditures.....	1,520,000
Ending Balance .....	\$6,245,504

This category includes 12 funds combined for the purposes of reporting the revenues and expenditures from various park districts. The park impact fees are transferred to the City of Vancouver for park development and acquisition as part of the regional Parks Department Program created in 1997.

**CAD/800 MHz System Replacement Fund (Fund 3087)**

Beginning Balance .....	\$2,350,251
Revenues .....	6,523,402
Expenditures.....	2,102,186
Ending Balance .....	\$6,771,467

This fund tracks the costs related to the routine replacement of existing 800 MHz System radio equipment. Funding is through payments from the participating agencies.

**Regional REET Parks Fund (Fund 3086)**

Beginning Balance .....	\$2,073,393
Revenues .....	810,000
Expenditures.....	2,178,154
Ending Balance .....	\$705,239

This fund was established in 2008 to track the revenues and costs related to funding for regional parks. The revenues consisted of two-thirds of the Real Estate Excise Tax (REET) generated from the sale of property located outside the Vancouver urban growth area, and were used to construct or improve regional parks outside the urban growth area. However, starting in 2012, all REET revenue has been dedicated to repayment of county debt.

**Urban REET Parks Fund (Fund 3055)**

Beginning Balance .....	\$648,604
Revenues .....	0
Expenditures.....	568,819
Ending Balance .....	\$79,785

This fund was established in 2008 to track the revenues and costs related to funding for parks. The revenues consisted of one-third of the Real Estate Excise Tax (REET) generated from the sale of property located outside the Vancouver urban growth area and all of the REET generated within the Vancouver urban growth area, and was used to construct or improve parks within the urban growth area or within the Greater Clark Park District. Starting in 2012, all REET revenue has been dedicated to repayment of county debt.

**Economic Development Dedicated REET (Fund 3083)**

Beginning Balance .....	\$6,103,003
Revenues .....	4,176,079
Expenditures.....	8,500,702
Ending Balance .....	\$1,778,380

This fund resulted from an extension of the Parks Real Estate Excise Tax (REET) which split the allocation of tax revenue between the Parks program and the Economic Development program. The program is to encourage the development of infrastructure by partnering with the private sector. Starting in 2012, all REET revenue has been dedicated to repayment of county debt.

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**Technology Reserve Fund (Fund 3194)**

Beginning Balance .....	\$955,917
Revenues .....	3,318,140
Expenditures.....	4,225,446
Ending Balance .....	\$48,611

This fund accounts for technology projects. For 2013/2014 the custody management system will be implemented. Funding is provided by a subsidy transfer from the General Fund.

**REET Electronic Technology Fund (Fund 3039)**

Beginning Balance .....	\$137,722
Revenues .....	50,000
Expenditures.....	66,456
Ending Balance .....	\$121,266

This fund accounts for technology related to improving the communication between the county and the state. The revenue is from for Real Estate Excise Taxes collected by the county through the Treasurer's Office.

## **Enterprise Funds**

### **Revenue**

Other Taxes .....	\$40,000
Intergovernmental .....	3,393,752
Charges for Services .....	32,808,897
Miscellaneous .....	7,151,000
Other Sources .....	8,749,620
<b>Total Revenue .....</b>	<b>\$52,143,269</b>

### **Expenditures**

Salaries & Benefits .....	\$8,805,845
Supplies & Services .....	8,366,877
Debt Service .....	13,139,240
Capital Expenditures .....	6,167,560
Internal Exp. ....	18,336,716
<b>Total Expenditures ....</b>	<b>\$54,816,238</b>
<b>Fund Bal. Decrease ....</b>	<b>\$2,672,969</b>

## **Enterprise Funds**

Enterprise funds are proprietary-type funds that account for operations intended to be substantially self-supporting through user charges or fees, similar to a private business. The County has seven such funds.

### **Solid Waste Fund (Fund 4014)**

Beginning Balance .....	\$1,258,911
Revenues .....	6,606,716
Expenditures .....	7,213,545
Ending Balance .....	\$652,082

This fund accounts for the cost of administering the solid waste collection and disposal activities in the County, including waste reduction and recycling. Revenues are collected through a surcharge on garbage collection rates and curbside recycling fees. Recycling fees are passed through the County to an external service provider.

### **Sewer Fund (Fund 4082)**

Beginning Balance .....	\$940,439
Revenues .....	0
Expenditures .....	0
Ending Balance .....	\$940,439

This fund accounts for the debt service payments for the Meadow Glade wastewater system and receives associated connection fees from Meadow Glade properties.

### **Wastewater Maintenance & Operations Fund (Fund 4580)**

Beginning Balance .....	\$ 1,041,329
Revenues .....	14,589,123
Expenditures .....	14,578,315
Ending Balance .....	\$1,052,137

This fund accounts for the operating costs and fee revenue related to the treatment plant and County-owned regional interceptor lines. All revenues collected from wholesalers that are associated with M&O and annual debt service payments flow through this fund.

The Discovery Clean Water Alliance was formally established in January 2013 after approximately 5 years of planning. An in-depth study considered a 50 year vision for growth and infrastructure needs county-wide. This alliance between Clark County, Ridgefield, Battle Ground and the Clark Regional Wastewater District will allow the entities to pool their resources to provide more cost effective and reliable sewer service for approximately 100,000 citizens of Clark County. The Clark Regional Wastewater District will administer the new entity for the first five years. Eventually the member agencies resources and liabilities will be turned over to the Alliance and the County will just be the operator of the plant.

### **Sewer Debt Service Fund (Fund 4581)**

Beginning Balance .....	\$3,215,382
Revenues .....	6,549,620
Expenditures .....	6,549,620
Ending Balance .....	\$3,215,382

The fund was established to make debt service payments for general obligation bonds and Public Works Trust Fund loans to the treatment plant. All current debt has been resolved, and the fund is being maintained until 2015 when all treatment plant functions will be fully transferred to the Discovery Clean Water Alliance.

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**Salmon Creek WWTP Construction Fund (Fund 4582)**

Beginning Balance .....	\$10,403
Revenues .....	6,970,000
Expenditures.....	6,699,620
Ending Balance .....	\$280,783

This fund was for the expansion project at the wastewater treatment plant (WWTP) and the regional interceptor lines that handle wastewater from homes and businesses in the Hazel Dell, Battle Ground, Orchards, Meadow Glade, and Hockinson areas. Phase IV construction has been completed and this fund will be closed.

**SCWTP Repair & Replacement Fund (Fund 4583)**

Beginning Balance .....	\$1,566,743
Revenues .....	1,410,000
Expenditures.....	1,140,000
Ending Balance .....	\$1,836,743

This fund provides for major repairs and replacement of equipment and facilities at the Salmon Creek wastewater treatment plant (SCWTP) and for regional interceptors. The plant and interceptors must meet the requirements of the National Pollutant Discharge Elimination System permit under which the plant operates.

**Clean Water Fund (Fund 4420)**

Beginning Balance .....	\$2,620,000
Revenues .....	16,017,810
Expenditures.....	18,635,138
Ending Balance .....	\$2,672

This fund is to collect, track, and budget revenues and expenditures related to Clark County's adopted Clean Water Ordinance. Fees are collected from County residents via formula to fund the maintenance and operation of drainage activities and capital infrastructure.

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## **Internal Service Funds**

### **Revenue**

*Intergovernmental*.....\$131,000  
*Charges for Services* ..... 20,019,755  
*Miscellaneous*.....31,449,738  
*Other Sources*..... 17,716,523  
**Total Revenue** .....**\$69,317,016**

### **Expenditures**

*Salaries & Benefits* .....\$17,095,513  
*Supplies & Services*..... 38,751,148  
*Debt Service* ..... 5,052  
*Capital Expenditures* ..... 7,155,974  
*Internal Exp.*..... 8,932,077  
**Total Expenditures** .....**\$71,939,764**

**Fund Bal. Decrease** .....**\$2,622,748**

## **Internal Service Funds**

Internal Service funds are proprietary-type funds that account for certain County operations that provide services to other County departments. They receive support from these internal customers, and in some cases from external customers, by charging for services rendered. The County currently has eleven internal service funds.

### **Unemployment Insurance Fund (Fund 5042)**

Beginning Balance ..... \$1,109,247  
Revenues ..... 1,469,714  
Expenditures..... 1,817,736  
Ending Balance ..... \$761,225

This fund is the County's self-insurance reserve for unemployment compensation. Revenues include contributions from all County funds which support payroll expenses; contributions are a fixed percentage of employee salaries. Expenditures represent the payment of claims and administrative fees to the State of Washington.

### **Elections Fund (Fund 5006)**

Beginning Balance ..... \$1,359,461  
Revenues ..... 4,051,648  
Expenditures..... 4,927,184  
Ending Balance ..... \$483,925

This fund accounts for the cost of registering voters and conducting elections. Revenues include General Fund support and reimbursements from other jurisdictions for registration and election services.

### **General Liability Insurance Fund (Fund 5040)**

Beginning Balance ..... \$1,427,349  
Revenues ..... 4,738,498  
Expenditures..... 4,212,756  
Ending Balance ..... \$1,953,091

This fund is the County's self-insurance reserve for general liability. Revenues include contributions from the General Fund, the Road Fund, and certain other County funds. Expenditures include payment of claims, settlements, and support for the cost of the Risk Management function within the General Fund.

### **Worker's Compensation Insurance (Fund 5043)**

Beginning Balance ..... \$676,277  
Revenues ..... 4,137,606  
Expenditures..... 3,982,589  
Ending Balance ..... \$831,294

This fund is the County's self-insurance reserve for workers' compensation claims. Revenues include contributions from all County funds which support payroll expenses. Expenditures include claims paid and fees paid to the State.

### **Retirement/Benefits Reserve Fund (Fund 5044)**

Beginning Balance ..... \$ 149,135  
Revenues ..... 1,437,262  
Expenditures..... 1,463,524  
Ending Balance ..... \$122,873

This fund reflects medical costs for members of the Law Enforcement Officers/Firefighters retirement program. Revenues represent a transfer from the General Fund.

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**Equipment Rental and Revolving Fund (Fund 5091)**

Beginning Balance .....	\$3,151,988
Revenues .....	30,488,224
Expenditures.....	31,325,277
Ending Balance .....	\$2,314,935

This fund owns, maintains, and replaces the County's fleet of vehicles and heavy equipment. It also purchases inventories of fuel, road rock, and road oil. Revenues are generated via vehicle and equipment rental charges and charges for inventory "sold" to other County operations.

**Data Processing Revolving Fund (Fund 5092)**

Beginning Balance .....	\$1,585,754
Revenues .....	4,190,332
Expenditures.....	4,736,287
Ending Balance .....	\$1,039,799

This fund maintains and replaces the County's personal computers and related peripheral devices. Revenues in this fund are from internal service charges paid by participating departments.

**Server Equipment Repair & Replacement Fund (5090)**

Beginning Balance .....	\$(309,465)
Revenues .....	1,154,639
Expenditures.....	845,174
Ending Balance .....	\$0

This fund is for replacement of the County's network servers. Revenues in this fund are from transfers from the Technology Reserve Fund and from the General Fund.

**Central Support Services Fund (Fund 5093)**

Beginning Balance .....	\$64,067
Revenues .....	16,052,591
Expenditures.....	16,098,097
Ending Balance .....	\$18,561

This fund accounts for the costs of maintaining County buildings, utilities (heat and electricity), and the operation of the County's central store of general office supplies. Revenues include building rents charged to non-County occupants, General Fund support, and charges for office supplies provided to County departments.

**Radio ER&R Fund (Fund 5096)**

Beginning Balance .....	\$614,855
Revenues .....	742,002
Expenditures.....	746,640
Ending Balance .....	610,217

This fund accounts for the repair and replacement of Mobile Data Terminals and 800 MHz radios utilized by the County Sheriff's Office. Beginning in 2013/2014, the fund also covers replacement of kitchen and laundry equipment for the Sheriff's Jail Work Center. Funding is through equipment rates and a transfer from Sheriff's Special Investigation Fund.

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**Major Maintenance Fund (Fund 5193)**

Beginning Balance .....	\$941,574
Revenues .....	854,500
Expenditures.....	1,784,500
Ending Balance .....	11,574

Expenditures in this fund are primarily for building materials and supplies.  
Revenues are transferred from other County funds.

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**Fiduciary Funds**

***Fiduciary Funds Revenue***

*Charge for Services* ..... \$1,255,000  
*Miscellaneous* ..... 654,000  
*Intergovernmental* ..... 265,000  
***Total Revenue* ..... \$2,174,000**

***Fiduciary Funds Expenditures***

*Supplies & Services* ..... \$4,199,010  
***Total Expenditures* ..... \$4,199,010**

***Fund Bal. Decrease* ..... \$2,025,010**

**Fiduciary Funds**

Fiduciary Funds account for assets held as an agent or trustee for other entities. Agency Funds are clearing accounts for assets held by Clark County in its role as custodian. The county has four agency funds.

**Jail Commissary Fund (Fund 6311)**

Beginning Balance ..... \$459,015  
Revenues ..... 1,871,000  
Expenditures ..... 1,871,000  
Ending Balance ..... \$459,015

This fund accounts for the personal property of individuals incarcerated in the County Jail. Any balance remaining in an individual's account is returned upon release.

**BJA-Block Grant Trust Fund (Fund 6315)**

Beginning Balance ..... \$6,087  
Revenues ..... 265,000  
Expenditures ..... 207,534  
Ending Balance ..... \$63,553

This fund accounts for block grant receipts from the Department of Justice. These grants are utilized by the Sheriff's Office.

**Solid Waste Closure Fund (Fund 6310)**

Beginning Balance ..... \$12,839,366  
Revenues ..... 0  
Expenditures ..... 2,082,476  
Ending Balance ..... 10,756,890

This fund accounts for the closure and monitoring activities related to a landfill. The fund was established in response to a state order for monies to be set aside to ensure aquifers do not become contaminated.

**Juvenile Fund (Fund 6314)**

Beginning Balance ..... \$35,222  
Revenues ..... 38,000  
Expenditures ..... 38,000  
Ending Balance ..... \$35,222

This fund was established to account for the personal property of individuals incarcerated in the juvenile detention center. Any balance remaining in an individual's account is returned upon release.

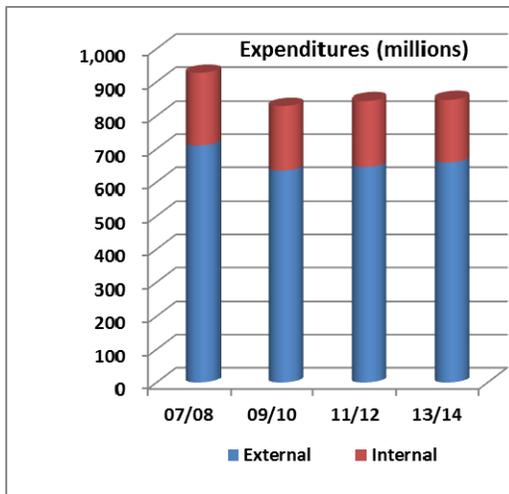
# Expenditure Analysis

This section of the budget reviews the County's major expenditure categories. The figures presented here are County-wide, meaning that they cut across all funds and departments. Effort has been made to ensure that the historical data shown are as comparable as possible.

## Historical Expenditure Analysis

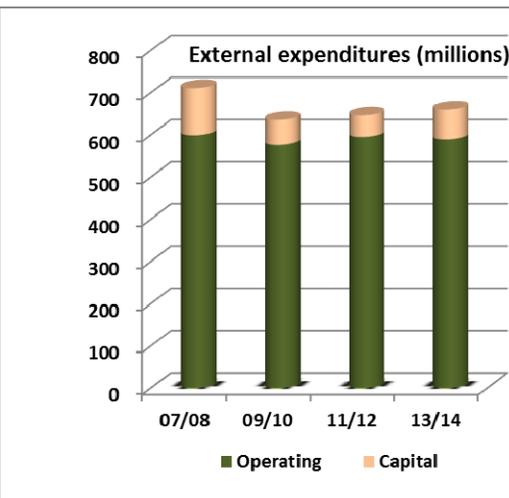
While budgets traditionally focus on the period to come, it is important to place the current financial plan in the context of long-term trends. By analyzing trends over multiple years, it is possible to identify significant long-term changes that might not be apparent in any single year. The changes in the County's expenditure levels from 2007/08 through the 2013/14 biennium are discussed in the following paragraphs.

The following table summarizes the major expenditure categories for the last three biennia and for the upcoming 2013/2014 biennial budget period. Clark County's expenditures, which totaled \$927.5 million in 2007/2008, are projected to decrease to \$848.3 million in 2013/2014. This represents a total decrease of 8.5 percent through 2014 or about 1.2 percent per year. Both external and internal expenditures dipped in 2009/10 due to the Great Recession, followed by a decline in overall expenses due to the formation of



8 Year Expenditure Summary (Millions)					
Exp. Category	07/08 Actuals	09/10 Actuals	11/12 Actuals	13/14 Budget	Annual Growth
Salaries & Benefits	289.6	284.4	283.5	301.8	0.6%
Supplies & Services	280.5	263.2	268.1	247.1	-1.7%
Debt Service	29.1	28.8	43.6	40.6	5.7%
Fixed Assets	111.6	58.7	50.7	70.0	-5.3%
<b>External Expenditures</b>	<b>710.7</b>	<b>635.0</b>	<b>645.8</b>	<b>659.4</b>	<b>-1.0%</b>
<b>Internal Expenditures</b>	<b>216.8</b>	<b>194.8</b>	<b>199.0</b>	<b>188.8</b>	<b>-1.8%</b>
<b>Total Expenditures</b>	<b>927.5</b>	<b>829.9</b>	<b>844.8</b>	<b>848.3</b>	<b>-1.2%</b>

the Regional Support Network (RSN). In 2012, Clark County joined two other Washington State counties (Cowlitz and Skamania) in order to form the RSN for the provision of mental health services. Staff and services were moved from Clark County to the new regional entity, resulting in a revenue and expense reduction of approximately \$70 million for the biennium across all mental health funds.



**External expenditures** represent a use of cash by the County. They are payments to entities outside the County such as private sector vendors, suppliers, employees, and other governments. These cash expenditures have decreased from \$710.7 million in 2007/08 to \$659.4 million in 2013/2014. This is a 7.2% decrease over this period, or an annual decline rate of about one percent per year.

External expenditures are comprised of two primary components, capital expenditures and operating expenditures. Cash operating expenditures, displayed as the lower portion of the graph to the left, have decreased from \$599.1 million in 2007/2008 to \$589.5 million in 2013/2014. This is a 1.6% decrease over this period, or an annual decline rate of about 0.2% per year.

**Internal expenditures** occur when funds are transferred between Clark County entities or when one department "buys" internal services from another. No cash is expended by the County as a whole, instead, money only moves

between County departments. These transactions allow departments to track costs when internal service providers are used. An example may help illustrate:

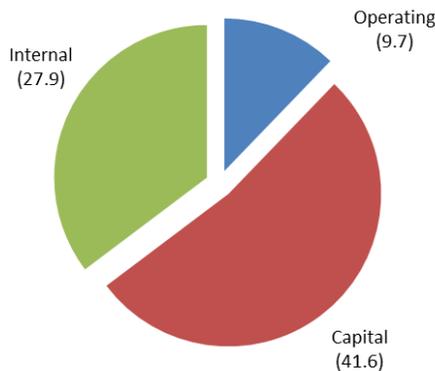
*When Public Works (PW) "buys" \$5,000 worth of legal services from the Prosecuting Attorney's (PA) Office, it "spends" \$5,000 and records an internal service transfer. The County as a whole did not spend cash, but, moved it from PW (Road Fund) to the PA (General Fund). The cash expenditure only occurs when the PA spends the \$5,000 on attorney payroll, office supplies, etc.*

This internal expenditure "system" gives departments the ability to track the cost of using internal service providers, and encourages internal services providers to remain competitive with outside service providers. In the example above, the PA would include \$5,000 in its budget for salaries, benefits and supplies necessary to provide legal services to PW. PW would also budget \$5,000 for legal professional services. Consequently, a total of \$10,000 would appear in the budget, but, only \$5,000 of cash would leave the County.

Internal expenditures have the effect of artificially inflating the County's budget when individual department budgets are aggregated. Continuing with the above example, the PW budget would include \$5,000 for legal services. The PA would also include \$5,000 in its budget for salaries, benefits and supplies necessary to provide legal services to PW. A total of \$10,000 would appear in the budget. However, the County would spend only \$5,000 in cash.

Change in Major Expenditure Types (Millions)				
Type of Expenditure	07/08 Actuals	13/14 Budget	Change	Annual Growth
Operating Expenditures (Cash)	599.1	589.5	(9.7)	-0.2%
Capital Expenditures (Cash)	111.6	70.0	(41.6)	-5.3%
Internal Expenditures (Non-Cash)	216.8	188.8	(27.9)	-1.8%
<b>Total Expenditures</b>	<b>927.5</b>	<b>848.3</b>	<b>(79.2)</b>	<b>-1.2%</b>

Components of Change 07/08 - 13/14 (millions)



Internal expenditures have decreased an average of 2.1 percent per year since 2007 and account for approximately 22 percent of the 2013/2014 budget. As a significant portion of the overall budget, it has become increasingly important to isolate cash expenditures from non-cash expenditures when viewing the County budget as a whole. The County has modified its financial systems and account codes to simplify the process of separating these expenditures and has reduced the overall growth of internal expenditures since 2001/2002 by consolidating departments.

## Components of Expenditure Change

The pie chart to the left and table above show the major components of the \$79.2 million decrease from 2007/08 to 2013/14. The major reasons for the decrease in expenditures were permanent, ongoing adjustments to expenditures due to the economic recession; and the formation of a tri-county Regional Support Network (RSN) for the provision of mental health services. The formation of the RSN in 2012 led to a net revenue and expense reduction of approximately \$70 million across all mental health funds.

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**Salary & Benefit Changes  
07/08 to 13/14**

Public Works .....	\$6.3 million
Sheriff's Office & Jail .....	5.4 million
Dept. Environ. Services.....	4.3 million
Metro Park District.....	2.4 million
Corrections.....	1.2 million
Community Services .....	-1.8 million
Public Health .....	-7.0 million
Community Development.....	-8.8 million
Other Areas.....	10.2 million
<b>Total Payroll Increase .....</b>	<b>\$12.2 million</b>

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**Supplies & Services Increase**

Road Fund .....	\$4.4 million
Impact Fees .....	0.9 million
Equipment Rental .....	0.7 million
Public Health .....	-4.9 million
Sewer Funds.....	-6.0 million
Parks REET .....	-8.8 million
Community Services .....	-20.6 million
Other Areas.....	0.9 million

**Total Supplies  
and Services.....** **-\$33.4 million**

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**Operating Expenditure Increase from 2007/2008 to 2013/2014**

**Operating expenditures** include salaries & benefits, supplies & services, and debt service payments. These ongoing expenditures are necessary to support the full range of County functions and operations. Detailed information on staffing increases can be found in the Staffing Analysis contained toward the end of the Financial Section.

**Salaries and Benefits (Payroll) Increase**

Total Six Year Increase.....	\$ 12.2 million
Total Growth (07/08-13/14).....	4.2 percent
Avg. Annual Growth Rate.....	0.6 percent

Two factors can generally contribute to a rise in payroll expenditures: a change in workforce, and a higher cost per employee. The County *eliminated* 260 full-time equivalent (FTE) positions from 2007/08 to 2013/14. This represents a decrease of about 14 percent. At the same time, the population of Clark County is estimated to increase 6.5%. It is anticipated that growth in staffing in future years will be tempered by the economy, while countywide population and the costs of maintaining service levels will continue to increase.

In 2007 the County spent an annual average of \$74,026 in salary and benefits for each FTE. In 2014, the average cost will be about \$94,544 per employee. The increase is equivalent to a 4 percent salary/benefit increase each year.

Factors which influence the County's cost per employee include: cost-of-living increases established through County labor negotiations, Washington State's retirement system contributions, market driven benefit cost increases, and elected official salary increases which are determined by State statute.

**Supplies & Services Increase**

Total Six Year Decrease ... ..	-\$33.4 million
Total Change (07/08-13/14) .....	-11.9 percent
Avg. Annual Change Rate . . . . .	-1.7 percent

The table at left summarizes the major areas of increase. Departments that have experienced spending growth and declines in this category include the following:

- **Road Fund (\$4.4 million increase):** The Road Fund accounts for the capital costs of building new roads and for maintaining existing roads. Increased costs since 2006 are principally due to the effects of increases in oil based products and the effects this has on the cost to maintain existing and new roads.
- **Impact Fees (\$0.9 million increase):** Impact fees include charges to developers for the impact of added vehicle trips and for acquiring and developing parks to maintain a standard acreage per thousand of population. Historically, the increase since 2007/2008 is much smaller than usual and reflects the slowdown in the economy with less construction.
- **Equipment Rental & Revolving (\$0.7 million increase):** ER&R is responsible for the management and maintenance of the County's fleet of vehicles and equipment. The budget increases represent increased equipment and vehicle costs.

- **Public Health (\$4.9 million decrease):** Public Health aims to preserve, promote and protect public health in the community. This department is heavily reliant on state funding. With the downturn in the economy, funding has been severely reduced, requiring the reduction of services to the community.
- **Parks REET (\$8.8 million decrease):** Prior to 2009/2010 an aggressive development program for parks within unincorporated areas was established. Funding of this program was solely reliant on Real Estate Excise Taxes which are collected whenever existing homes are sold. Starting in 2012, the Board of County Commissioners has dedicated all REET revenue to the repayment of debt, eliminating funding for Parks.
- **Community Services (\$20.6 million decrease):** This decrease is largely due to the reduction in expense and revenue that occurred in 2012, when Clark County joined two other Washington State counties (Cowlitz and Skamania) in order to form the RSN for the provision of mental health services. In most cases, the County contracts with private-sector agencies to provide these services. These expenditures are budgeted as professional services costs.
- **Sewer Funds (\$6 million decrease):** The county owns and maintains a regional sewer plant that has recently completed an expansion. The reduction in supplies and services reflects the completion of the latest expansion and the use of third party contracts for design and construction.
- **Other Areas (\$0.9 million increase):** The remaining \$0.9 million increase in supply and services costs is spread widely across the County. A portion of this amount reflects normal inflation in service costs over the six-year period.

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**Debt Service Decrease**

Interest Payments.....-\$5.3 million  
 Principal Payments ..... 3.3 million  
**Total Debt Service**  
**Decrease .....-\$2.0 million**

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**Debt Service Decrease**

Total Six Year Decrease ... ..-\$2.0 million  
 Total Change (07/08-13/14).....-6.9 percent  
 Avg. Annual Change Rate . . . . . -1.1 percent

Debt service expenditures have decreased by \$2 million since 2007/2008. This net decrease is due to debt being retired. Retired debt service payments included obligations issued in the early to late 90's for the construction of the Jail Work Center (medium security facility), golf course equipment, 911 Building and Motorola equipment, and the funding of open space. In addition, the county retired \$5 million in revenue bonds for the expansion of the sewer treatment plant.

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**Capital Expenditures**

Stormwater.....	\$2.4 million
Vehicles.....	1.3 million
Roads.....	-5.1 million
Sewer.....	-36.7 million
All other areas.....	-3.5 million
<b>Total Capital Expenditure</b>	
<b>Decrease.....</b>	<b>\$41.6 million</b>

---

**Capital Expenditure Decrease from 2007/2008 to 2013/2014:**

Capital expenditures are typically for the purchase of fixed assets and transportation improvement projects. These large and unevenly timed costs are generally budgeted and tracked in a capital type fund.

**Capital Expenditure Decrease**

Total Six Year Decrease ...	-\$41.6 million
Total Change (07/08-13/14) .....	-37.3 percent
Avg. Annual Change Rate .....	-5.3 percent

A major factor in the decrease of the capital expenditures County budget from 2007/2008 through 2013/2014 has been the completion of the wastewater treatment plant construction plan. Additional information on capital spending and a list of individual capital projects is contained in the Capital Section.

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**Internal Expenditure Decrease from 2007/2008 to 2013/2014:**

Internal expenditures are non-cash transactions because no cash enters or leaves the County as a whole. They are necessary to track the movement of money between the County's separate accounting entities. Transfers between funds represent "subsidies". For example, the General Fund supports the operations of the Community Development Fund. Inter-fund transactions represent charge for services between funds. The classic example is the General Funds use of facilities. The Facilities Fund supports the maintenance of county buildings and "bills" the General Fund.

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**Internal Transactions**

Transfer between funds .....	-\$35.7 million
Inter-fund Payments.....	7.7 million
<b>Total Internal Transaction</b>	
<b>Decrease.....</b>	<b>\$-27.9 million</b>

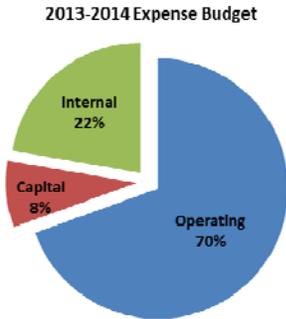
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**Internal Transaction Decrease**

Total 6 Year Decrease.....	-\$27.9 million
Total Change (07/08-13/14).....	-12.9 percent
Avg. Annual Change Rate .....	-1.8 percent

The overall decrease in internal transfers is in line with the overall reduction in total expenditures since 2007. Major internal service providers include: Equipment Services, Emergency Services, Central Support, and Major Maintenance.

## The 2013/2014 Expenditure Budget



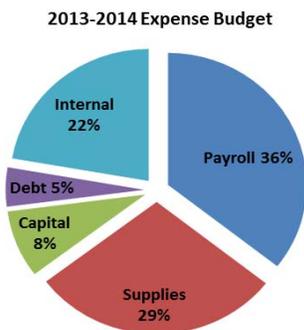
The 2013/2014 Adopted Budget contains \$848.3 million in total expenditures. As displayed in the graph to the left, the majority of these expenditures (\$711.5 or 78%) are external cash outlays for capital and operating purposes.

The three broad expenditure types described above can be further divided into expenditure subcategories. The second pie chart to the left shows the five expenditure subcategories. The pie chart shows the categories as a percentage of budget, and the table shows the dollar amount. The paragraphs below describe the categories, discuss the major components of spending in each, and outline any major policy issues.

### Operating Expenditure Categories

#### Payroll (Salaries & Benefits)

Payroll costs, including overtime compensation, represent the second largest expenditure category in the 2013/2014 budget. The County's payroll budget is driven by four major factors: 1) the number and types of staff employed by the County, 2) the County's salary structure, 3) the cost of living adjustments (COLAs) negotiated with collective bargaining units and 4) the cost of providing employee benefits.



1. A Staffing Analysis, which discusses the location and number of funded staff positions, is presented later in the Financial Section.
2. The County's salary structure, which defines personnel classifications and assigns them to salary ranges, is developed and maintained on the basis of ongoing surveys of comparable employers in both public and private sectors.
3. The third major factor driving the County's payroll budget is the annual cost of living adjustment (COLA). This is determined through the process of negotiating the County's various labor agreements, generally every three years. The County's current agreements cover various periods depending on individual contracts. These adjustments have been estimated and included in separate contingency accounts pending final negotiations.
4. The last factor is the cost of benefits. Benefits make up about 30.2% of total payroll costs. Mandated benefits make up about 11.2% of the total payroll costs. Mandated benefits include social security and medicare, contributions to the state retirement system, unemployment insurance, and workers' compensation insurance. The remaining benefits, like medical and dental insurance, long-term disability and life insurance are about 19% of total payroll. These costs are determined, in part, through labor negotiations and market forces.

### **2013/2014 Expenditures by Major Category**

#### **External Expenditures**

Payroll .....	\$301.8 million
Supplies & Services .....	247.1 million
Debt Service .....	40.6 million
Fixed Assets .....	70.0 million

**Total External Expenditures .....** 659.5 million

#### **Internal Expenditures**

Transfers & Internally Provided Services .....	188.8 million
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**Total Budget .....** 848.3 million

#### **Supplies & Services (External Only)**

The supplies and services budget for 2013/2014 totals \$247.2 million. The supplies budget of \$42.5 million is distributed to all departments. Supplies include fuel for patrol and maintenance vehicles, computer hardware under \$5,000, asphalt and aggregate for roads, and a wide variety of office supplies. Service expenditures make up the bulk of the category at \$204.7 million. Services include an extremely wide variety of expenditures, ranging from rented office space and telephone charges, to professional consulting and

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## **Supplies & Services Expenditures**

<i>Community Services</i> .....	<i>\$65.5 million</i>
<i>Road Fund</i> .....	<i>28.6 million</i>
<i>Fleet</i> .....	<i>17.5 million</i>
<i>Sheriff's Office &amp; Jail</i> .....	<i>14.4 million</i>
<i>Indigent Defense</i> .....	<i>9.8 million</i>
<i>Facilities</i> .....	<i>7.9 million</i>
<i>Sewer Treatment Plant</i> .....	<i>3.5 million</i>
<i>Public Health</i> .....	<i>2.1 million</i>
<i>Other</i> .....	<i>97.9 million</i>

### **Total Supplies**

**& Services ..... \$247.2 million**

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## **Fixed Assets**

<i>Public Works (roads)</i> .....	<i>\$48.8 million</i>
<i>Stormwater</i> .....	<i>4.6 million</i>
<i>Vehicle replacements</i> .....	<i>4.4 million</i>
<i>Sewer</i> .....	<i>0.9 million</i>
<i>Other Areas</i> .....	<i>11.3 million</i>

### **Total Fixed Asset**

**Expenditures ..... \$70.0 million**

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## **Internal Expenditures**

### **Internal Services and Transfers**

<i>Sales Tax transfers</i> .....	<i>\$31.1 million</i>
<i>Debt service transfers</i> .....	<i>27.7 million</i>
<i>General Fund subsidies</i> .....	<i>24.5 million</i>
<i>Other Internal Exp.</i> .....	<i>105.5 million</i>

### **Total Internal**

**Expenditures ..... \$188.8 million**

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expert legal expenses. The majority of service expenditures, however, support transportation infrastructure and human services programs. The table at left displays the seven largest service budgets.

Intergovernmental Expenditures, a sub-category of services, represent payments from the County to other governmental entities or inter-local agencies. The majority of intergovernmental expenditures are for parks related activities. The County and City of Vancouver Parks departments consolidated into one regional Parks Department in 1997. All Park Impact Fees (PIFs) and park acquisition and planning expenditures are now transferred to the City of Vancouver in exchange for parks services.

### **Debt Service**

Approximately 4.8 percent of the budget, or \$40.6 million, is allocated for debt service payments (principal and interest) on the County's bonds, revenue bonds, Public Works Trust Fund (PWTF) loans, and other outstanding debt. More information regarding the County's debt structure appears in the Debt Summary located later in the Financial Section.

### **Fixed Assets Category**

The 2013/2014 budget includes \$70 million in capital expenditures. Overall, capital expenditures represent 8.2 percent of the 2013/2014 budget. The table on the left shows the major capital areas. See the Capital Plan located later in the document for a detailed list of 2013/2014 capital projects.

### **Internal Expenditure Category**

As discussed in the historical expenditure analysis, internal expenditures occur when funds are transferred between Clark County entities (transfers) or when one department "buys" internal services from another (inter-fund services). Cash is not expended in these transfers but it is moved between County departments. The two internal expenditure categories are inter-fund services and internal transfers. The table on the left shows the major users of internal services or transfers.

Internal charges represent 22.3 percent of the total budget. The Public Works Department is by far the largest user of internal services. Much of this service is through equipment rental charges and for internal support.

Other major internal services include parks maintenance and support services like accounting, human resources, vehicle rental and repair, and computer rental and repair. Many of these services are charged out to individual departments through an indirect cost allocation mechanism.

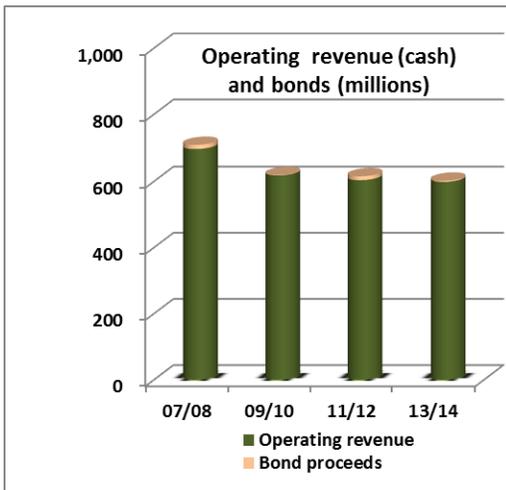
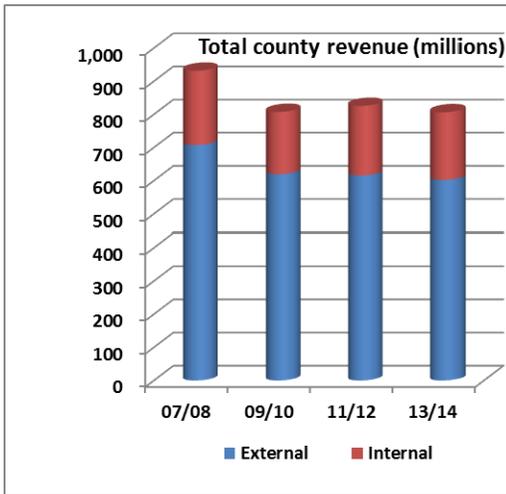
# Revenue Analysis

This section reviews the historical growth of the County's major revenue sources from 2007/2008 through 2013/2014. Bond proceeds and internal revenue have been displayed separately to allow an unobstructed view of the growth in operating revenue. This trend analysis is followed by a detailed analysis of the 2013/2014 projected revenues that support the 2013/2014 biennial budget. Effort has been made to ensure that the historical and forecast data are as comparable as possible.

## Historical Revenue Analysis

In 2007/2008, revenue totaled \$931.7 million. The 2013/2014 budget includes projected revenues of \$806.3 million. This is equivalent to an average decrease of 1.9 percent per year. Revenue growth has slowed significantly reflecting the downturn in the economy during the Great Recession. In addition, the formation of the RSN in 2012 decreased both revenues and expenses by approximately \$70 million for mental health service funds.

Revenue may originate from external or internal sources. External revenues, such as taxes, bond proceeds, and Federal or State grants, are cash receipts from outside the County. These cash revenues finance all County activities, services, and facilities. Internal revenue represents the movement of dollars between Clark County entities. This revenue does not increase the total amount of available resources, because no cash is received by the County as a whole.



8 Year Revenue Summary (Millions)				
	07/08	09/10	11/12	13/14
	Actuals	Actuals	Actuals	Budget
Property Tax	178.8	191.0	196.5	194.5
Sales Tax	60.1	52.2	56.3	60.7
Other Taxes	37.6	31.3	31.8	35.1
Charges for Service	106.3	80.7	92.2	90.6
Intergovernmental	233.9	211.6	172.9	156.3
Bond Proceeds	12.4	1.1	11.5	3.5
Other External Rev.	78.7	51.5	54.3	61.6
<b>External Revenue</b>	<b>707.7</b>	<b>619.4</b>	<b>615.6</b>	<b>602.3</b>
<b>Internal Revenue</b>	<b>224.0</b>	<b>188.1</b>	<b>210.0</b>	<b>204.0</b>
<b>Total Revenue</b>	<b>931.7</b>	<b>807.5</b>	<b>825.7</b>	<b>806.3</b>

The table (above) summarizes the major revenue sources from 2007/2008 to 2013/2014.

External revenue, which includes operating revenue and bond proceeds, has decreased from \$707.7 million in 2007/2008 to \$602.3 million in 2013/2014. This represents a total decrease of 14.9 percent, and is equivalent to an average decrease of 2.1 percent per year.

Operating revenue (external revenue less bond proceeds) finances all County services, County funding for local service providers, and most County infrastructure projects. The lower portion of the graph to the left shows operating revenue declined by 13.9 percent between 2007/2008 and 2013/2014.

The County issues general obligation and revenue bonds to finance specific capital projects. The amount of bond proceed received varies greatly from year to year. The upper portion of the graph to the left illustrates the fluctuation in the amount of bond proceeds, which ranged from as little as \$1.1 million in 2009/2010 to \$12.4 million in 2007/2008. The 2013/2014 revenue forecast contains \$3.5 million in bond proceed revenue.

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*Change Since 07/08*      *-\$125.4 million*

*Ave. Annual Rate*              *-1.9 percent*

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## Components of Revenue Growth

The following table summarizes growth in revenue from 2007/2008 to 2013/2014, by major revenue source. The dollar change and total percent change are shown.

The next section discusses the major components of the \$125.4 million net decrease. A brief description of each major source and the underlying causes for the change is also provided.

Change in major revenue from 07/08 to 13/14 (Millions)					
	07/08 Actuals	.....	13/14 Budget	Total Change	Percent Change
Property Tax	178.8	.....	194.5	15.8	8.8%
Sales Tax	60.1	.....	60.7	0.5	0.9%
Other Taxes	37.6	.....	35.1	-2.4	-6.5%
Charges for Service	106.3	.....	90.6	-15.6	-14.7%
Intergovernmental	233.9	.....	156.3	-77.6	-33.2%
Bond Proceeds	12.4	.....	3.5	-8.9	-71.7%
Other External Rev.	78.7	.....	61.6	-17.1	-21.8%
<b>External Revenue</b>	<b>707.7</b>	<b>.....</b>	<b>602.3</b>	<b>-105.4</b>	<b>-14.9%</b>
<b>Internal Revenue</b>	<b>224.0</b>	<b>.....</b>	<b>204.0</b>	<b>-20.0</b>	<b>-8.9%</b>
<b>Total Revenue</b>	<b>931.7</b>	<b>.....</b>	<b>806.3</b>	<b>-125.4</b>	<b>-13.5%</b>

### Change in External Revenue Sources

#### Property Taxes

Property tax revenue increased 8.8% between 2007/2008 and 2013/2014. This growth is mainly due to the typical 1% annual budget increase, as well as a small amount of new construction within the County. Property tax revenue has historically grown by over 12 percent per year (1990-1996). The Cascade Park annexation (1997) and Referendum 47, which capped property tax growth, have caused property tax revenue growth to slow.

Washington voters further restricted property growth with the passage of I-747. In short, I-747 restricts growth in property taxes to 1% plus new construction. The Board of County Commissioners did not approve the 1% budget increase for the 2011 and 2012 levy years (2012 and 2013 collection years). In addition, due to the recession, new construction has declined from the \$1.5 billion peak (2006 levy year for 2007 collection) to \$0.4 billion for the 2012 levy year (to be collected in 2013). Thus property tax collections slowed to an estimated 1.3% annual growth between 2007 and 2013 collection years.

#### Sales Tax

Sales tax revenue has increased only \$0.5 million since 2007/2008. In 2007, the county authorized its final 2/10ths dedicating it to law and justice and added an additional 1/10<sup>th</sup> authorized by the state for the mental health tax initiative.

The Great Recession has impacted growth in sales tax revenues, especially due to the decline in new construction activity. Overall taxable retail sales countywide were up 6.8% in the third quarter of 2012 (the latest available data from the Washington Department of Revenue), yet still 8% below the 2006 peak.

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*Change Since 07/08*              *\$15.8 million*

*Ave. Annual Rate*              *1.3 percent*

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*Change Since 07/08*              *\$0.5 million*

*Ave Annual Rate*              *-0.1 percent*

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<i>Change Since 07/08</i>	<i>-\$2.4 million</i>
<i>Ave. Annual Rate</i>	<i>-0.9 percent</i>

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<i>Change Since 07/08</i>	<i>-\$15.6 million</i>
<i>Ave Annual Rate</i>	<i>-2.1 percent</i>

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<i>Change Since 07/08</i>	<i>-\$8.9 million</i>
<i>Ave Annual Rate</i>	<i>-10.2 percent</i>

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<i>Change Since 07/08</i>	<i>-\$17.1 million</i>
<i>Ave Annual Rate</i>	<i>-3.1 percent</i>

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<i>Change Since 07/08</i>	<i>-\$20 million</i>
<i>Ave Annual Rate</i>	<i>-1.3 percent</i>

**Other Taxes**

Other taxes, which include volatile real estate excise tax (REET), have decreased \$2.4 million since 2007/2008. The decrease is due to the recession. REET is collected on the resale of real estate. For 2013, REET revenue is projected to be 66% below the peak, which occurred in 2005.

**Charges for Services (External)**

Charges for services have decreased \$15.6 million since 2007/2008.

**Intergovernmental**

Intergovernmental revenue has decreased \$77.6 million since 2007/2008. Most of the decrease reflects federal and state cuts to county programs, as well as the formation of the RSN for mental health service delivery as a separate entity, which reduced overall biennial revenues and expenditures by approximately \$70 million.

**Bond Proceeds/Other loans**

Bond proceeds/other loans revenues act differently than other revenue streams. The county anticipates issuing \$3.5 million in 2013/2014 most of which is for road construction.

**Other External Revenue Sources**

Other external sources, including licenses and permits, fines and forfeitures, and miscellaneous revenues, have decreased \$17.1 million since 2007/2008. This reflects to a large extent the downturn in the economy.

**Internal Transfers and Charges for Internal Services**

Internal Transfers and Internal Service Revenue have decreased \$20 million since 2007/2008. These revenues reflect the movement of dollars between Clark County entities. Internal service providers have been replacing lump-sum subsidies with direct charges for services. This provides better tracking and cost information for internal service managers and County administration. These internal transfers and charges are “non-cash” transactions and do not represent an increase in County revenues.

Part of the decrease in internal transactions is the result of the decrease in the number of fiscal entities and services included in the County’s financial structure. The formation of the RSN led to a significant decrease in expenditures in this category as well. In addition, reductions in overall expenses during the recession have also led to a decline in internal service expenses.

## Revenue Forecast Process

The Budget Office in collaboration with the Auditor's Office, Treasurer's Office and other departments begins the process of forecasting the next biennial budget twelve months prior to the Board of County Commissioners adopting the biennial budget. The outcome is six year revenue forecast with the first two years forming the basis for the budget. The two year revenue forecast used in the 2013/2014 budget is updated annually.

### Revenue Forecast Assumptions

The following is a summary of assumptions used in the analysis:

- The regional economy faces more challenges than the rest of the state or the nation, due to high unemployment rates and a distressed housing and construction market. Whereas revenues have stabilized, they remain lower than they were before the recession.
- Slight improvement is expected for sales tax revenues, and moderate growth is forecasted for all other revenues. Overall, the 2013/2014 forecast does not call for any significant increases in revenue.
- No major annexations are anticipated during the forecast period.
- County revenue forecasts take into account major economic indicators, including but not limited to, inflation, population, employment and new construction growth.

2011 - 2016 Revenue Forecast Indices						
	2011	2012	2013	2014	2015	2016
Inflation Rate (regional CPI)	2.9%	2.3%	1.8%	1.6%	1.6%	1.8%
Population Growth (countywide)	0.6%	0.8%	1.2%	1.2%	1.2%	1.4%
Employment Growth (statewide)	0.0%	1.4%	0.9%	1.8%	2.0%	1.7%
New Construction (countywide, millions)	\$286.2	\$270.2	\$354.8	\$449.6	\$544.3	\$639.0

### Inflation

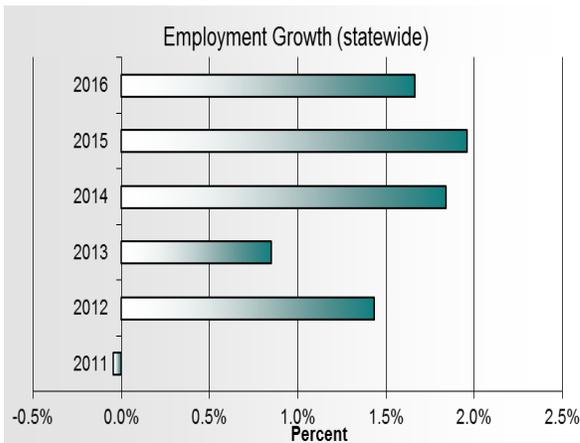
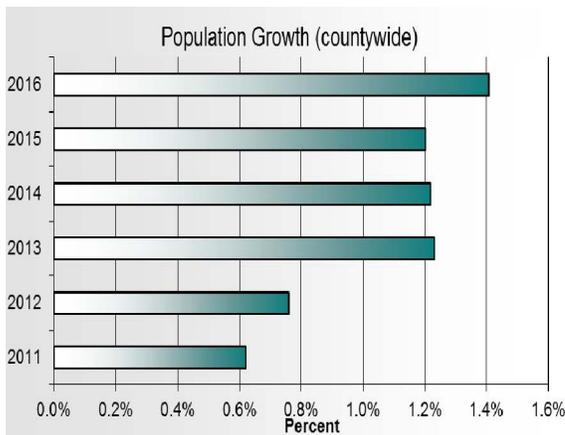
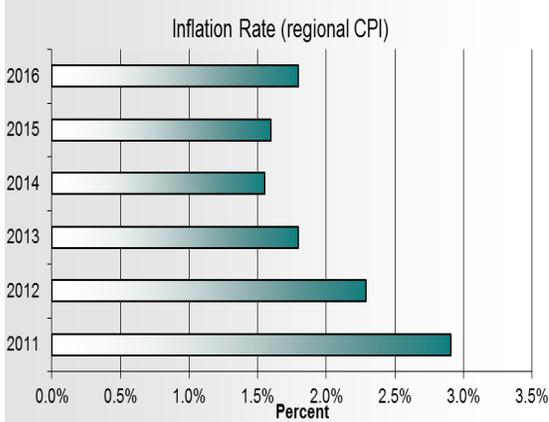
Inflation has been below historical average in 2011/2012, and is expected to remain low in the next few years. The county uses inflation projections for the Portland-Salem Consumer Price Index published by the State of Oregon Office of Economic Analysis.

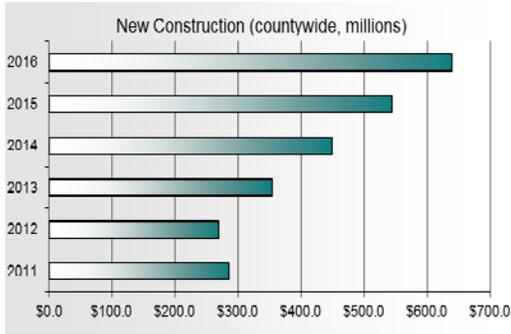
### Population Growth

Between 2000 and 2010, the Clark County historical population growth has been 2.4%. However, population growth slowed down to 0.6% in 2011, then 0.8% in 2012. The population growth forecast for the next few years is 1.2%, in sync with the medium scenario forecast produced by the Office of Financial Management of the State of Washington.

### Employment Growth

Total non-farm employment has declined in Clark County during the recession. There are currently no employment forecasts available at the county level. Modest improvements in employment are projected over the next few years for the state of Washington as a whole (State of Washington Economic and Revenue Forecast projections).





### New Construction Added to Tax Rolls

New construction is an important driver for multiple county revenues, including property taxes, sales taxes, and real estate excise taxes. At the peak, countywide new construction was at \$1.5 billion in 2007. By comparison, 2013 new construction was estimated at under \$400 million. Projections assume minimal, but not significant, increases over the next few years, driven by small improvements in residential construction. Commercial and industrial new construction projects are assumed to stay at the current level in the next few years.

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## 2013/2014 Revenue Source Analysis

The 2013/2014 biennial budget is supported by a two year revenue forecast of \$806.3 million. Of this amount, \$204 million is “non-cash” revenue that has been forecast for internal revenue sources. External revenue is forecast to be \$602.3 million for the two year period.

It is important to note that only external revenue sources provide an inflow of cash which the County may use to finance activities, services and capital projects. Internal sources, like transfers and internal service charges, are “non-cash” transactions and are used to track the movement of dollars between Clark County entities.

The paragraphs below describe the most significant external and internal revenue sources for the County. Also included is a description of the method used in forecasting revenue and any major policy issues associated with the revenue source. All figures in this section are two year amounts and reflect the revenue forecast for the full 2013/2014 biennium.

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### 2013/2014 Revenue by Source

#### External Sources (Cash)

Property Tax .....	\$194.5 million
Sales Tax.....	60.7 million
Other Taxes.....	35.1 million
Charges for Services .....	90.6 million
Intergovernmental.....	156.3 million
Bond/Loan Proceeds .....	3.5 million
Other External Sources.....	61.6 million
<b>Total External .....</b>	<b>602.3 million</b>

#### Internal Sources (Non-Cash)

Transfers & Internal	
Service Charges .....	204.0 million
<b>Total .....</b>	<b>\$806.3 million</b>

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### External Revenue Sources (Cash Inflows)

#### Tax Sources

#### Property Tax ..... \$194.5 million

Property tax is one of the County's largest sources of revenue, accounting for 24 percent of all revenue. Property tax provides partial funding for the General Fund, Road Fund, Mental Health Fund, Developmental Disability Fund, Veterans Assistance Fund, and Conservation Futures Fund.

All real and personal property is appraised by the County Assessor for tax purposes. Each year, one-sixth of the County is physically inspected as part of the re-appraisal process. The remaining properties are re-valued on the basis of statistical calculations. All new construction is physically appraised in the year it is placed on the tax rolls.

Property tax in Washington State is subject to limitations: 1) Referendum 47, which was passed by voters in 1997, limits the total amount of tax collected (the levy); 2) the rate limit, which restricts the General Fund tax rate to no more than \$1.80 per \$1,000 of value and the Road Fund tax rate to no more than \$2.25 per \$1,000 of value; and, 3) Initiative 747 which was passed by voters in 2001, limits the total amount of tax to 1%. Referendum 47 limits total collections to a percentage of the highest tax levy from the prior three years. This percentage is capped at 106 percent or the Implicit Price Deflator (a national inflation index), whichever is lower. However, because of I-747, 2001 rates and beyond are limited to 1 percent.

Forecasting property tax revenue begins at the previous year's levy. One adds one percent (the maximum increase allowed under I-747) and adjusts the total for new construction. The anticipated new construction adjustment is equal to the value of new construction added to the tax rolls times the previous year's tax rate. Finally, an adjustment to projected collections may be made for anticipated changes in the delinquency rate. Historical experience suggests that delinquencies increase significantly during recessionary times.

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**Sales Tax.....\$60.7 million**

The County collects sales tax primarily in the unincorporated area. The County also collects 15 percent of the sale tax revenue generated inside cities as long as cities have adopted the same sales tax rate. Otherwise, the county collects 100% of the difference in sales tax rates.

The County's locally imposed sales tax rate is 1.2 percent, or \$1.20 per \$100 purchase. Six tenths of one percent go to the General Fund, two tenths of one percent go to the Special Law Enforcement Fund, two tenths of one percent go to the Law & Justice Fund, one tenth of one percent goes to the Criminal Justice Assistance Fund, and one tenth of one percent for the Mental Health Sales Tax Fund. In addition, the state imposes a sales tax of 6.5% (or \$6.50 per \$100 purchase) countywide, and the Public Transportation Benefit Area imposes a sales tax rate of 0.7% within the district boundaries, used for public transportation purposes.

Forecasting sales tax revenue is complex because a significant portion of the revenue is tied directly to the volatile building industry. Also, consumer spending behavior, particularly with respect to “big-ticket” purchases, tends to rise and fall ahead of the overall economy. The forecast is also adjusted for any known factors, such as annexation, that are likely to impact the revenue. No major annexations are anticipated during the next two years.

**Motor Vehicle Fuel Tax ..... \$14.2 million**

The State-wide motor vehicle fuel tax is collected by the State Department of Licensing at a rate of 37.5 cents per gallon of gas or special fuel (excludes propane powered vehicles). The County’s portion is distributed monthly. A portion is also distributed to Cities based on a population weighted formula.

**Real Estate Excise Tax ..... \$9.0 million**

The County imposes a 1/2 percent real estate excise tax (REET) on all real estate transactions in the unincorporated area. The 2013/2014 revenue estimate is based on a forecast that analyzes trends in the volume and price of resale properties that are subject to the tax. The analysis looks at trends separately by property types (residential, commercial, and industrial).

Half of this REET revenue (the first 1/4 percent) is dedicated to capital projects included in the Capital Facilities Plan. Revenue from this source is deposited in the Real Estate Excise Tax Fund.

In 1996, the County enacted the second 1/4 percent real estate excise tax dedicated to the development of parks (Parks REET). The majority of the Parks REET is collected within the urban growth boundary and is passed through to the cities, primarily the City of Vancouver. The Parks REET was modified in 2002 splitting the receipts between Parks (75%) and Economic Development (25%). Starting in 2012, the second 1/4 percent REET revenue is dedicated entirely to debt repayment for capital projects, together with the first 1/4 REET.

**Misc. Tax Sources..... \$11.9 million**

Other tax sources include the motor vehicle excise tax, hotel/motel tax, gambling tax, timber harvest tax, land use tax, diverted taxes, and leasehold excise tax. Each is forecast using source specific methodologies.

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**Other Taxes**

*Motor Vehicle Fuel.....\$14.2 million*

*Real Estate Excise .....9.0 million*

*Misc. Tax Sources..... 11.9 million*

***Total..... \$35.1 million***

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## **Charges For Goods & Services (External Only)**

### **Wastewater (Sewer) Fees ..... \$14.6 million**

Sewer fees are collected to fund the County's Salmon Creek Wastewater Treatment Plant operations and capital facilities. Fees are collected from wholesale customers within the Hazel Dell Sewer District and the City of Battleground.

Revenue projections are provided by the Department of Public Works based on the provisions of the County's agreements with its wholesale customers and historical experience. These revenues are deposited in the Wastewater Fund.

### **Clean Water Fees ..... \$13.7 million**

The County implemented a new program in 1999 to pay for efforts to collect and clean storm water. This fee helps pay for updating regulations, improve monitoring and enforcement, improve measures to control runoff, and build more facilities to manage storm water. Fees are based on the average of impervious surface per equivalent dwelling unit.

### **Solid Waste Fees..... \$4.5 million**

Solid Waste staff manage the recycling, reuse, and disposal of the county's solid waste stream. They work to reduce waste stream volume and toxicity through recycling, reuse, and disposal programs and through education. A portion of the charges collected for waste disposal and recycling funds this program.

### **Motor Vehicle License Fees ..... \$4.2 million**

State law allows the County Auditor to charge a \$3 transaction and a \$0.75 service fee for the issuance of motor vehicle licenses. These revenues are deposited into the General Fund.

### **Metropolitan Park District (MPD)..... \$3.5 million**

In 2005, voters approved the establishment of the MPD to provide funding for maintenance and selected capital for at least 35 new parks and seven miles of new trails. The Department of Public Works bills the MPD to provide the service.

### **Impact Fees ..... \$3.4 million**

Traffic Impact Fees (TIF's) are collected in multiple TIF districts within the County. Revenue projections are provided by the Department of Public Works based on a quantified formula. Collected funds are transferred to the County's Public Works Department to fund eligible projects. Park Impact Fees funds are transferred to the City of Vancouver for the City/County Consolidated Parks program.

### **Other Charges for Service (External)..... \$107.5 million**

Other charges for service include admission charges for the County Fair, recording and filing fees, reimbursement from other jurisdictions for road work, parks entrance fees, ambulance fees, reimbursements from other jurisdictions for elections work, probation and adult diversion fees, charges for the sale of maps, copy center charges, microfiche charges, Sheriff's civil process fees, and several others.

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### **Charges for Service**

*Wastewater fees.....\$14.6 million*

*Clean Water fees..... 13.7 million*

*Solid Waste fees .....4.5 million*

*Motor Vehicle Licenses .....4.2 million*

*MPD fees.....3.5 million*

*Impact fees.....3.4 million*

*Other Charges..... 107.5 million*

***Total Services ..... \$151.4 million***

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## **Intergovernmental Revenue Sources**

### **Community Services Grants ..... \$51.2 million**

This source represents numerous State and Federal grants for social service programs administered by Clark County. These revenues are deposited into the various Community Services Funds, including the Mental Health, Developmental Disability, and Substance Abuse Funds, as well as the CDBG Pass-Through and Non-Pass Through funds and the HUD Housing Rehabilitation Fund.

These revenues are projected by the staff of the Department of Community Services, based on estimates of available grant funding. These revenues may be significantly affected by changes in the State's budget situation, and may require an amendment to the County budget.

### **Law & Justice Grants..... \$30.8 million**

Law & Justice dedicated grants are received into the General Fund and partially support programs in the Prosecuting Attorney's Office, Sheriff's Office, and Juvenile. These grants have increased significantly in recent years particularly through a state Department of Corrections grant for housing inmates.

### **Road Project Revenue ..... \$30.1 million**

This revenue represents State and occasionally federal grant funds for road construction projects. Road project revenue is forecast by the Department of Public Works based on the timing of state supported projects. These revenues are deposited in the Road Fund and can be used only for the intended projects. Typically, these grants require a local match which may be as low as 10 percent or as high as 60 percent of the total project.

### **Health Department ..... \$9.7 million**

The Health Department became a permanent part of the County in 2002. Formerly, the Health Department was governed by area commissioners and city council members. It was determined that economies of scale could be achieved without diminishing services. The Department receives numerous grants.

### **Other Intergovernmental ..... \$34.5 million**

Other intergovernmental revenues include liquor taxes, the GMA grant, grants for child support enforcement, water quality, parks land acquisition and development grants, energy code enforcement, Camp Bonneville, as well as payment for Animal Control services in the City, WSDOT and Network funding for offender programs, and other miscellaneous sources.

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### ***Intergovernmental***

<i>Community Services.....</i>	<i>\$51.2 million</i>
<i>Law &amp; Justice Grants.....</i>	<i>30.8 million</i>
<i>Road Project Revenue.....</i>	<i>30.1 million</i>
<i>Health Department.....</i>	<i>9.7 million</i>
<i>Other Intergovern.....</i>	<i>34.5 million</i>
<b><i>Total .....</i></b>	<b><i>\$156.3 million</i></b>

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## **Other External Revenue Sources**

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### **Other External Revenue Sources**

*Licenses & Permits.....\$17.4 million*

*Fines & Penalties..... 15.7 million*

*Investment Interest.....3.3 million*

*Miscellaneous & Other ....25.1 million*

#### **Total Other**

**External Sources ..... 61.5 million**

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### **Licenses & Permits ..... \$17.4 million**

**Building Permits:** Clark County charges fees for the issuance of building and plumbing permits. These revenues are deposited in the Community Development Fund and support the cost of conducting blueprint reviews and on-site building inspections to ensure that new construction meets relevant building, plumbing, and electrical codes.

**Cable Television Revenue:** Clark County administers the cable television franchise privilege in the unincorporated area and collects a franchise fee from the service provider. This revenue is deposited in the General Fund. The County and the City of Vancouver have established a joint Cable TV office to administer the cable franchise, and the County pays for this service from its General Fund.

**Public Health:** Public Health is responsible for the inspection of food service providers as well as the inspection of septic systems. Upon the completing the inspection process, licenses and permits are issued.

### **Fines & Penalties ..... \$15.7 million**

The County collects fines for violations of traffic laws, County ordinances, and misdemeanors. Revenue from these fines is deposited in the General Fund. District Court revenues have been stable over the past several years. Other fines and penalties include assets seized by the Clark-Skamania Narcotics Task Force, attorney fee recoveries, welfare fraud recoupment, animal control citation fines, and other miscellaneous fines.

### **Investment Interest ..... \$3.3 million**

The County manages a regional investment pool that includes County resources as well as resources owned by other local government agencies. The County Treasurer is responsible for investing monies. The Treasurer works closely with jurisdictions to determine cash flows needs and then invests accordingly. State law restricts what local jurisdictions can invest in.

### **Other External Sources ..... \$25.1 million**

Other sources of revenue include fair income, the Treasurer's investment service fee, rental of county owned property, portions of the proceeds from certain Dept. of Natural Resources timber sales, loan proceeds, and capital contributions from other government agencies.

## **Internal Revenue Sources**

### **Internal Transfers and Charges for Services ..... \$204.0 million**

Internal transfer revenues are simply the receipt of the internal transfer expenditures outlined in the Expenditure Analysis section. The revenue estimate is based on budgeted expenditures in this category. Charges for internal services represent the receipt of the internal service expenditures outlined in the Expenditure Analysis section. Like internal transfer revenue, the revenue estimate is based on budgeted expenditures in this category.

# Debt Summary

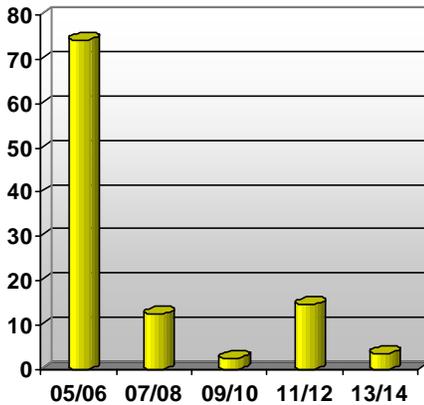
*The County's outstanding debt includes general obligation (G.O.) bonds and Public Works Trust Fund loan.*

## Overview

Clark County periodically issues debt to finance large capital projects. These purchases may involve the acquisition of land, the construction of buildings or other improvements, or the development of a major system. The graph to the left shows the actual amount of bonds issued from 2005/2006 through 2011/2012, and proceeds expected in 2013/2014.

The table (below) shows the amount of debt outstanding at the beginning of the year, anticipated debt retirement and new planned debt, and the projected debt position of the County on December 31, 2014, the end of the current biennium. Debt is categorized according to the project or purchase for which it was incurred. This analysis excludes \$13.5 million in retired revenue bonds that were erroneously carried forward into the 2013/2014 budget, and will be eliminated in the spring 2013 omnibus. Thus the overall outstanding debt discussed in this section will be lower than the number shown in the overall discussion of the adopted 2013/2014 budget, which is \$40.6 million.

**Bond Sale Proceeds by Year**



Outstanding Debt, 1-1-13 to 12-31-14 (Thousands)				
	Jan-13 Balance	Retired Debt	New Debt	Dec-14 Balance
<b>General Obligation Debt</b>				
Exhibition Hall	16,126	950	-	15,176
Facilities-Energy Savings Devices	7,732	744	-	6,988
Parks	85	85	-	-
Pepsi Building-Warehouse Space	2,240	194	-	2,046
Assessor/Treasurer computer system	1,200	1,200	-	-
VHA Low Income Housing	235	235	-	-
Conservation Futures Projects	11,853	2,001	-	9,852
Jail Work Center	3,296	1,385	-	1,911
800 MHZ Communication System	875	425	-	450
Juvenile Expansion	4,011	1,214	-	2,797
Campus Development	32,315	2,015	-	30,300
Center for Community Health	25,030	1,485	-	23,545
Community Development Remodel	2,336	146	-	2,190
General Equipment	29	10	-	19
Fire/Safety Facility	1,415	355	-	1,060
Tri-Mountain Golf Course	5,580	535	-	5,045
<b>Total General Obligation Debt</b>	<b>114,358</b>	<b>12,979</b>	<b>-</b>	<b>101,379</b>
<b>Other Debt</b>				
Sanitary Wastewater Loans	29	29	-	-
Roads-PWTF Loans	27,609	3,691	3,505	27,422
<b>Total Other Debt</b>	<b>27,638</b>	<b>3,721</b>	<b>3,505</b>	<b>27,422</b>
<b>Total County Debt</b>	<b>141,996</b>	<b>16,700</b>	<b>3,505</b>	<b>128,801</b>

As shown in the table, the total amount of outstanding debt is expected to increase by \$3.5 million during the 2013/2014 biennium. General obligation debt will be reduced \$13 million, while other debt will have a net increase of \$3.5 million mainly to finance road projects through low interest Public Works Trust Fund loans issued by the State of Washington.

## Debt Limit & Carrying Capacity

Washington State law limits the amount of general obligation debt counties may incur. Without an authorizing vote of the citizens, a county may not incur general obligation debt exceeding 1.5 percent of the assessed value of the taxable property within the County. With a vote of its citizens, counties may incur general obligation debt up to 2.5 percent of its assessed taxable value. These limits apply to net general obligation debt, and exclude revenue bonds and other debts not backed by the full taxing authority of the County.

Clark County's assessed taxable value for 2011 was \$37.4 billion, which yields a net non-voted debt limit of \$474.7 million and a voted/non-voted limit of \$934 million. The County's existing general obligation debt totals \$114 million as of January 1, 2013, which is well below the non-voted debt limit. As a matter of financial policy, the County has set a goal to maintain debt service costs below 10 percent of external operating revenue. For 2013/2014, the annual debt service payment will total approximately 4 percent of external operating revenue.

The County has used less than one-third of its non-voted debt limit and debt service costs represent a limited share of total revenues. Overall, the County's debt position is very favorable. The County's bond rating is Moody's Aa2.

## Debt History

Historically, Clark County has maintained a low outstanding principal balance. The County's outstanding principal will decrease over 2013/2014.

Clark County's outstanding principal history since 2005/2006 is displayed in the graph to the left. In 2005/2006, total outstanding debt was \$168.8 million. Of that, \$142.7 million was general obligation debt. In 2005/2006, \$74.5 million in additional debt was issued for the Health Building, Exhibit Hall, purchase of the Pepsi building for future jail expansion, the Assessor/Treasurer system, and Conservation Futures land purchases. Other debt includes Public Works Trust Fund (PWTF) loans for sewer treatment plant expansions and road construction through this period. The county started making principal and interest payment on this additional debt in 2007/2008.

In 2013/2014 the county anticipates the issuance of approximately \$3.5 million in low interest PWTF loans (.5%) for road construction.

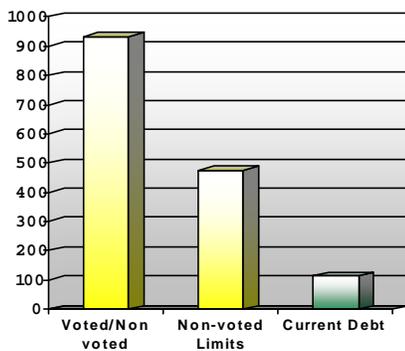
## Debt Payments

The amount of debt payments scheduled for 2013/2014 is \$27.1 million. The County's total annual debt payments (excluding refundings) since 2005/2006 are displayed in the graph to the left.

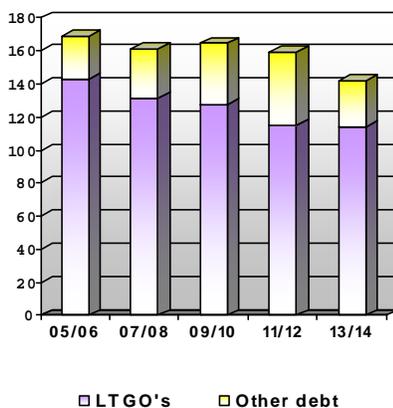
## Future Debt Plans

The County is currently working with the State of Washington to complete the 139<sup>th</sup> St / I-5 interchange. The county is planning the expansion of 10<sup>th</sup> Avenue that parallels I-5 north of 179<sup>th</sup> St.

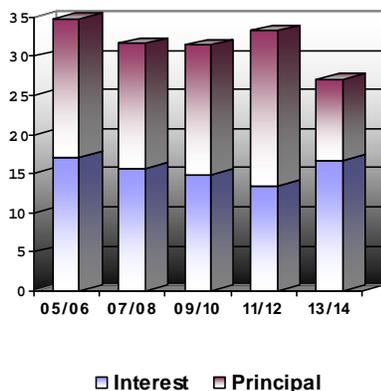
Debt Limits



Outstanding Principal



Total Debt Payments



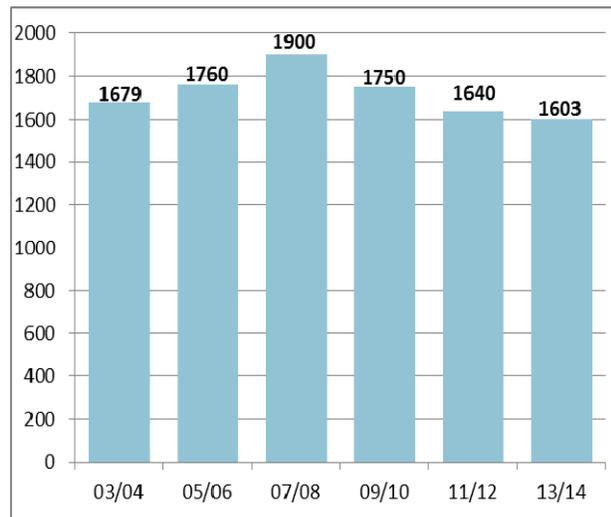
# Staffing Analysis

This section presents a summary of general staffing trends, including the long-term rate of growth and the sources of this growth. The staffing analysis is included in the Financial Section of the document to acknowledge the clear link between staffing increases and the County’s current and future operating budgets. Detailed information about staffing changes within individual departments appears in the Program Section. Finally, data on the staffing of specific departments appear in Appendix 2.

Clark County's 2013/2014 biennial budget includes 1,603 full-time equivalent (FTE) staff positions. The table to the left shows the allocation of these positions among the eight County functions that contain staff positions. As has been the case for the last five years, about half of all County staff are assigned to the Law & Justice function.

## Staffing (FTEs) by Function

<i>Law &amp; Justice</i> .....	794
<i>Public Works</i> .....	244
<i>General Government</i> .....	220
<i>Internal Support</i> .....	142
<i>Public Health</i> .....	80
<i>Community Development</i> .....	62
<i>Community Services</i> .....	61
<b>Total Staff (FTEs)</b> .....	<b>1,603</b>



## Historical Change in Staffing

From 2003/2004 to the end of the 2013/14 biennial budget, the total number of budgeted County staff positions have decreased by 76 FTE, or less than 0.1 percent per year. The total population of the County grew by approximately 2.1 percent per year over the same period. Growth in FTE’s has historically increased at the rate of population growth. Total FTE’s in 2003/2004 were 1,679 growing to 1,900 in 2007/2008 for an increase of 3.1 percent. However, from the peak in 2007/2008 a net reduction of 297 FTE’s reflects the recent downturn in the economy, as well as the spin-off of the Regional Support Network in 2012.

The paragraphs which follow provide a brief overview of departments that have experienced an increase/decrease in staffing since 2007/2008 and the reasons for the change.

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**Health Department**

Decrease in Staffing from 07/08-13/14.. ..... -70 FTEs  
Percent of department decrease ..... -47.0 percent

The Health Department staffing reflects a net reduction of 70 FTE since 2007/2008. Most of the reduction occurred in the 2009/2010 budget. To meet decreased local, state, and federal funding, much of the department's direct services were transitioned to non-profit agencies. This reduction results in the loss of one half of the departments total staffing.

**Law & Justice**

Decrease in Staffing from 07/08-13/14.. ..... -70 FTEs  
Percent of departments decrease ..... -8.1 percent

Law & Justice departments contain the most FTE's in the county with 794 FTE for 2013/2014. Departments include the Sheriff's Office/Jail, Courts, Prosecuting Attorneys Office, Clerk's Office, Corrections, Juvenile, Child Support, Victim Witness, and the Medical Examiner's Office. The Board of County Commissioners has prioritized law and justice programs when implementing cuts to meet reduced revenue resources due to the recession, thus reductions in FTE's and services levels have not been as dramatic as for other county government functions.

**Public Works**

Decrease in Staffing from 07/08-13/14.. ..... -63 FTEs  
Percent of departments decrease ..... -20.5 percent

Public Works is responsible for the development and maintenance of the major infrastructure systems with the county including transportation, sewer, and parks. The function also includes support divisions such as Equipment Services and Public Works Stores. Reductions include consolidating Clean Water and Solid Waste programs to a new department (28 positions) and reductions in labor force due to the economy in Environmental Permitting (4 positions), Design & Engineering (10 positions), and Road Operations & Maintenance (18 positions).

**Community Development**

Decrease in Staffing from 07/08-13/14.. ..... -42 FTEs  
Percent of departments decrease ..... -40.4 percent

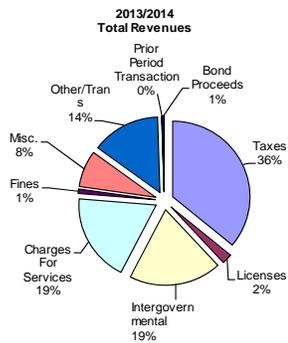
Historically, Community Development department saw staffing increases mostly as a result of the state Growth Management Act and increased workload. Within the department fifteen new building inspectors were added in response to increased construction activity and ten customer service representatives were added between 2003 and 2007. However, Community Development activity is closely related to development activity. In 2009/2010, staffing levels were reduced to reflect the downturn in the economy. In addition, the Long Range Planning division was moved from the department and placed under the County Administrator.

**Other Staffing Changes**

Decrease in Staffing from 07/08-13/14.. ..... -52 FTEs  
Percent of departments decrease ..... -10.9 percent

Other staffing changes were spread across General Government, Community Services, Internal Support, and Fiscal Entities.

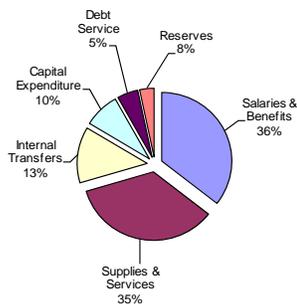
## Budget in Brief



### Revenues By Source

	2007/2008 Actual	2009/2010 Actual	2011/2012 Actual	2013/2014 Budget
Taxes	276,430,109	274,441,132	284,644,642	290,295,873
Licenses/Permits	15,164,275	15,602,148	16,537,595	17,395,297
Intergovernmental	233,922,633	211,649,499	172,873,534	156,273,872
Charges For Services	158,655,763	125,752,684	144,531,124	151,402,900
Fines/Forfeitures	8,068,990	7,264,954	7,422,214	7,648,887
Misc.	63,978,025	45,400,531	50,652,411	63,048,807
Other/Transfers	152,591,849	123,369,945	136,076,866	116,148,253
Prior Period Transaction	10,549,426	2,965,981	1,364,590	595,082
Bond Proceeds	12,387,411	1,090,000	11,548,792	3,504,573
<b>Total Revenues</b>	<b>931,748,482</b>	<b>807,536,874</b>	<b>825,651,768</b>	<b>806,313,544</b>

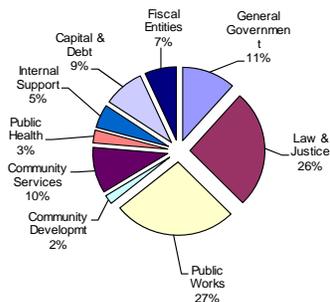
**2013/2014 Expenditures by Object Code**



### Expenditures by Object Code

	2007/2008 Actual	2009/2010 Actual	2011/2012 Actual	2013/2014 Budget
Salaries & Benefits	289,550,767	284,359,015	283,456,062	301,766,797
Supplies & Services	314,392,647	305,150,674	308,152,825	295,570,053
Internal Transfers	147,925,818	119,893,298	118,576,218	112,242,637
Capital Expenditures	111,563,838	58,694,474	50,659,430	69,964,885
Debt Service	29,074,389	28,799,165	43,553,522	40,624,497
Intergovernmental	34,978,224	32,984,715	40,362,083	28,115,653
<b>Total Expenditures</b>	<b>927,485,683</b>	<b>829,881,341</b>	<b>844,760,140</b>	<b>848,284,522</b>

**2013/2014 Expenditures by Function**



### Expenditures by Function

	2007/2008 Actual	2009/2010 Actual	2011/2012 Actual	2013/2014 Budget
General Government	77,255,486	80,861,931	87,306,930	98,054,506
Law & Justice	188,144,666	210,382,192	217,647,792	220,523,379
Public Works	257,785,994	185,075,538	210,331,527	225,982,039
Community Development	30,920,193	16,929,417	15,480,329	17,136,446
Community Services	103,488,162	118,991,193	119,597,354	85,943,279
Public Health	36,525,774	31,631,988	23,753,597	24,106,507
Internal Support	46,888,857	44,929,306	49,882,174	43,899,519
Capital & Debt	74,821,662	93,978,964	75,229,038	74,707,315
Fiscal Entities	111,654,889	47,100,812	45,531,399	57,931,532
<b>Total Expenditures</b>	<b>927,485,683</b>	<b>829,881,341</b>	<b>844,760,140</b>	<b>848,284,522</b>

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## Functions

A function is a grouping of departments that provide a related set of services. Clark County's nine functions are: General Government, Law & Justice, Public Works, Community Development, Community Services, Public Health, Internal Support, Capital & Debt, and Fiscal Entities.

The Financial section of this document presents the budget on the basis of individual funds with a focus on dollars and financial issues. The Functions information contains the same budget information but sorted into service categories, or functions. The nine tabs following the Financial section provide further detail for each of the Functions.

### Functions versus Departments

A department is a distinct organizational or budgetary unit, typically reporting to a single elected official or department head. Each department carries out programs which represent specific services delivered by the department. A function, on the other hand, is a major type of service that captures information based on category regardless of which department may have charge of it. For example, the budget overseen by the Sheriff has several departments in multiple funds. The function of Law & Justice includes all of the Sheriff's budgets as well as other departments that comprise the Law & Justice category. Further detail is available in the Appendices section in the report titled "Clark County Expenditures by Function and Department".

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#### Budget by Function

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General Government	\$ 98,054,506
Law & Justice	220,523,379
Public Works	225,982,039
Community Development	17,136,446
Community Services	85,943,279
Public Health	24,106,507
Internal Support	43,899,519
Capital & Debt	74,707,315
Fiscal Entities	<u>57,931,532</u>
<b>Total</b>	<b>\$848,284,522</b>

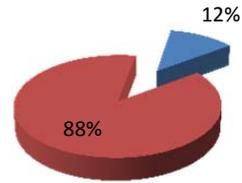
#### Budget By Function

Six of the County's functions are categorized based on the major types of service provided: General Government, Law & Justice, Public Works, Community Development, Community Services, and Public Health. The seventh category, Internal Support, includes basic functions necessary to support County operations. The Capital & Debt category includes general obligation debt payments and capital purchases other than those in the proprietary funds. Finally, the Fiscal Entities category includes budgets for contingency reserves and for accounting entities that do not represent operating budgets.

The following pages provide a summary of the County's \$848 million biennial budget sorted into the nine functions, with a summary description of these categories.

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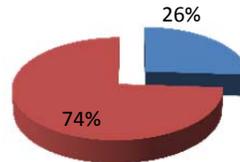
### General Government



Expenditures.....	\$98,054,506
Staff.....	219.50

General Government includes such basic government functions as legislation (Commissioners' Office), property appraisal, tax collection, issuance of marriage licenses, and administration of elections. Also included are services provided as a general benefit to the community and support for community organizations. Organizationally, this function consists of several separate departments, many of which are headed by elected officials.

### Law & Justice

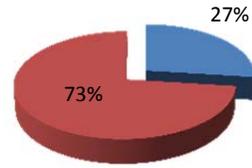


Expenditures.....	\$220,523,379
Staff.....	794.00

Law & Justice is the largest function in terms of staff and ongoing operating expenditures. This function includes law enforcement, crime investigation, jail, juvenile justice, courts, prosecution, indigent defense, and corrections. This function includes several separate departments, many headed by elected officials.

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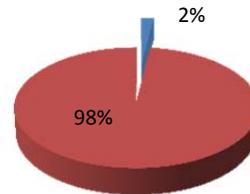
## Public Works



Expenditures.....	\$225,982,039
Staff.....	244.15

Public Works spending accounts for 27 percent of the total County budget for 2013/14, an increase over the 24 percent of 2011/12. This function may vary considerably from one biennium to the next as it includes road design, construction, and maintenance as well as the County's sewage treatment plant and County parks. Unlike General Government and Law & Justice, this function falls entirely within the jurisdiction of the Department of Public Works, whose director is appointed by the County Administrator. The departments shown in the detail section for this function are divisions within the Department of Public Works.

## Community Development

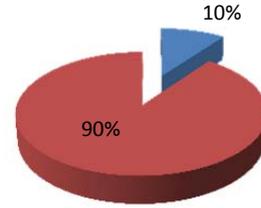


Expenditures.....	\$17,136,446
Staff.....	62.35

The Community Development function consists of activities which regulate development and enforce compliance with various County codes. Operations in this area include land use planning and development review, building code enforcement, fire code enforcement and animal control. Like Public Works, this function is under a single "super-department," the Department of Community Development, whose director is appointed by the County Administrator.

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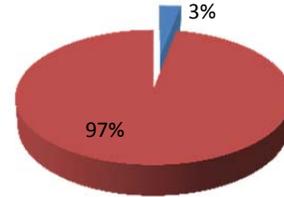
### Community Services



Expenditures..... \$85,943,279  
Staff..... 61.00

This function reflects the County-administered social service programs, including services for the mentally ill, developmentally disabled, and substance abusers. Other services include assistance to veterans, weatherization, and the emergency shelter. These programs are funded primarily by grant funds and other dedicated revenues. The Community Services function falls under the jurisdiction of the Department of Community Services, whose director is appointed by the County Administrator.

### Public Health

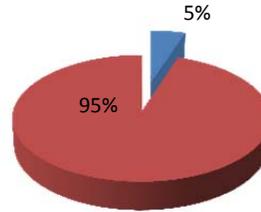


Expenditures..... \$24,106,507  
Staff..... 79.45

This function includes County-administered public health programs for citizens of Clark County, including immunization of children and at-risk adult populations, education and case management, tobacco prevention, tuberculosis testing, and food and water testing. This function has only a single department, the Department of Public Health, whose director is appointed by the County Administrator.

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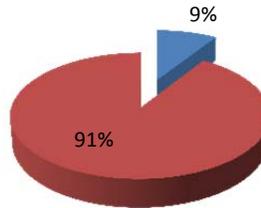
## Internal Support



Expenditures..... \$43,899,519  
Staff..... 142.40

This function includes the internal services of the County, including information services, public information office, budget office, purchasing, mailroom, printing, loss control, human resources, facilities maintenance, and facilities management. Internal support functions are performed by a number of separate departments whose directors are appointed by the County Administrator.

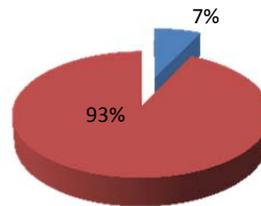
## Capital & Debt



Expenditures..... \$74,707,315  
Staff..... 0.00

This function includes all capital purchases outside of proprietary funds as well as general obligation debt service. It does not include capital purchased directly through other funds, such as road construction, which is paid for directly from the Road Fund.

## Fiscal Entities



Expenditures..... \$57,931,532  
Staff..... 0.0

The Fiscal Entities category includes budgets for funds that are accounting requirements but do not represent operating departments. For the most part, these funds accumulate revenues from special funding sources. Insurance reserves and interfund transfers are included in this category as well.

**DEPARTMENTS' OPERATING FUNDS** excludes capital and fiduciary funds

Department	Governmental Funds (funds with FTE)							
	0001 General Fund	1002 Auditor's O&M Fund	1011 Planning & Code Fund	1012 County Road Fund	1022 Victim Witness Asst. Fund	1025 Health Dept	1032 MPD Oper. Fund	1952 Mental Health Fund
Assessor								
Auditor								
Board of County Commissioners								
Board of Equalization								
Clerk								
Community Development								
Community Planning								
Community Services								
Corrections								
District Court								
Environmental Services								
General Services								
GIS								
Human Resources								
Information Services Dept								
Juvenile Court								
Medical Examiner								
Office of Budget								
PIO								
Prosecuting Attorney								
Public Health								
Public Works								
Sheriff								
Superior Court								
Treasurer								

Department	Enterprise Funds/Internal Service Funds (funds with FTE)						
	4014 Solid Waste Fund	4420 Clean Water Fund	4580 Waste Water Fund	5006 Elections Fund	5091 Equip. Rental & Revolving Fund	5092 Data Processing Revolving Fund	5093 Central Support Svcs Fund
Assessor							
Auditor							
Board of County Commissioners							
Board of Equalization							
Clerk							
Community Development							
Community Planning							
Community Services							
Corrections							
District Court							
Environmental Services							
General Services							
GIS							
Human Resources							
Information Services Dept							
Juvenile Court							
Medical Examiner							
Office of Budget							
PIO							
Prosecuting Attorney							
Public Health							
Public Works							
Sheriff							
Superior Court							
Treasurer							